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MEXICO UNDER CARRANZA

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A Lawyer's Indictment of the Crowning Infamy of Four Hundred Years of Misrule

BY

THOMAS EDWARD GIBBON

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DEDICATION

To THE submerged eighty per cent. of the Mexican people—the peons—who, for four hundred years, have been the victims of an industrial slavery almost without parallel in history, and to those who have been their greatest friends and benefactors in that dark period, the heroic American pioneers who, at the risk, and oft-times at the cost, of their lives, have invaded the mountains, deserts, and jungles of Mexico to discover and develop the hitherto unknown natural resources of that country for the benefit of its workers and of civilized mankind.

PREFACE

How are the people of Mexico faring under Carranza?

What is the character of the Carranza administration?

Are our relations with the present Mexican Government satisfactory or otherwise?

How have Americans resident in Mexico been treated?

What are the facts about investments of Americans and other aliens and what relation have these investments borne to the country's economic welfare?

How have the Carrancistas treated these investments?

What is the underlying cause of the woes that have beset the Mexican people since they began experimenting with self-government nearly a century ago?

Is there a remedy for these evils—any hope for the future?

In the following pages an attempt has been made, after earnest and prolonged investigation, to answer these questions fully, frankly, without passion and without prejudice.

THOMAS EDWARD GIBBON.

Los Angeles, Cal.,
January, 1919.

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MEXICO UNDER CARRANZA

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CHAPTER I

How the People of Mexico Have Fared Under the Carranza Régime

CARRANZA'S régime was recognized by the United States October 19, 1915, as the *de facto,* and nearly three years later as the *de jure,* government of Mexico. That is to say, this nation on the former date gave notice to all the world that, waiving consideration of its legal status, the administration set up by Carranza was in fact the government of Mexico, having the power and the inclination to perform all the functions of a government in relation to its own people and to fulfil all international obligations. Recognition as the *de jure* government was nothing less than an official notification to the family of nations that Carranza's administration was legally constituted and that it possessed both the lawful power and the inclination to discharge its obligations toward its own people and all the rest of the world.

Having been the recognized authority for about four years the Carranza Administration may be

deemed to have had time to demonstrate its fitness to govern. While Mexico has never been free from revolutionary disturbances during this period, and not all the national territory has acknowledged Carranza's authority, a survey of present conditions should give a fair idea of the character and capacity of the Carrancistas and of what may be expected of them in the future.

The Mexican people being more vitally concerned than any one else their case should be considered first. To characterize their condition in a sentence, their existence for the last four years has been an unbroken crescendo of accumulating woes. Carranza and his adherents have destroyed the material prosperity of the country; have robbed the people to whom that prosperity was due of hundreds of millions of dollars; have reduced hundreds of thousands of their countrymen, once happy and contented workers in great industrial enterprises, to starvation; have dragged Mexico down to a depth of degradation and misery without a parallel even in the gloomy history of that unhappy country.

The Carrancistas' superlative power for evil is easily explained. Previous to the Diaz era the Mexican people were chiefly engaged in farming and stock raising, only to a limited extent in mining, and hardly at all in manufacturing industries. The looting and confiscation, always a

conspicuous feature of revolutionary activities, therefore, affected but little the daily life of the common people because they produced all the food they needed; and the population being very much less than it now is, starvation, or even hunger, did not often result from these frequent disturbances.

The outstanding achievement of Diaz in the thirty-four years that he guided the destinies of the nation was a tremendous development of public service works, such as railroads, street railways, telephone and telegraph systems, gas works and manufacturing industries of various kinds, mining and smelting. The result was a marked change in the economic life of the country. Under the stimulus of ample employment and wages very much higher than ever before known, the population quite doubled during the Diaz period, much of the increase being concentrated in the cities which had become the centres of industry. Instead of the great majority of the population raising its own food, therefore, hundreds of thousands of laborers were engaged in activities that produced no food at all for themselves and their families. When the Carrancistas destroyed the nation's public service and industrial enterprises this great working population was reduced to idleness; and being without resources was forced to submit to starvation or

seek a precarious livelihood by joining the predatory bands that scour the country.

No one ever will know how many thousands of helpless women and children, to say nothing of able-bodied men, actually starved to death as a result of this almost complete stoppage of industrial activity. A prominent Mexican has estimated that not fewer than ten thousand persons have starved to death in Mexico City alone in the last four years. This is merely an informed opinion, to be sure; but beyond any question many thousands of these poor people have died of hunger while yet other thousands of lives have been lost as the result of privations and unsanitary conditions directly attributable to the lawless conduct of the dominant party. The epidemic of Spanish influenza swept through the country last fall, taking frightful toll because after enduring penury and want for so long the people lacked the stamina to resist disease.

Not satisfied with merely taking the bread out of the mouths of so many of their countrymen, the Carrancistas with a refinement of cruelty next deprived them even of the meagre dole of charity. No doubt many readers will recall the fact that in the latter part of 1915 the American Red Cross, which has earned the admiration of the world by its noble work in stricken Europe, which had been ministering to the needs of thousands of destitute

and starving Mexicans, was expelled from the country by Carranza. This astounding deed and its consequences are described in the *Red Cross Magazine*, the official journal of the organization, for November 15, 1915, from which the following extracts have been taken

"At the request of General Carranza, and with the advice of the American Department of State, which was consistent with the request, the American Red Cross discontinued its relief activities in both southern and northern Mexico October 8, and Special Agents Charles J. O'Connor and J. C. Weller, whose enterprise, hardihood, and efficiency in relieving the starving populace had brought them much praise, have been withdrawn. As it developed, the State Department advice in advocacy of the withdrawal of the Red Cross representatives presaged the formal recognition of the Carranza organization. Announcement of the decision to recognize General Carranza and his forces was made October 9th. [The recognition as the *de facto* government of Mexico is referred to.]

"At this time, just as was the case the month previous, many deaths were occurring daily from starvation and the country as a whole was in a pitiable plight, economically and industrially. It has been devastated from end to end and so impoverished and demoralized that under the most favourable conditions it would be possible only slightly to alleviate the widely extended suffering which will be forced upon the Mexican people dur-

ing the ensuing winter. General Carranza's assurance that the situation would be cared for, therefore, has not wholly dispelled the feeling of sincere regret on the part of the American Red Cross over relinquishing its part of the relief work.

"It is hard, for instance, to leave a locality where many thousands of families, mothers and babes predominating, have been absolutely dependent for sustenance upon small portions of nourishing vegetable soup which we had daily distributed. Half-famished mothers with skeleton babies at their breasts have besought the Red Cross agents, in the name of all that is holy, to do something for their little ones—to save them if they could not save the mothers—and there have been many formerly well-to-do persons, not of the peon class, who have been among the pitiful petitioners for Red Cross aid.

"In Mexico City alone, under the very competent direction of Mr. O'Connor, a chain of free soup stations was operated for over a month and *26,000 families were supplied daily at the height of the distribution. Whole families were rescued from the necessity of trying to stomach the putrefied flesh of domestic animals found in the streets of Mexico City.* Peon families could desist for a short time from picking up morsels of waste food from the rubbish heaps. *They could leave off the rôle of human carrion crows amid the offal of the slaughter-houses.*

"Thousands of families in Monterey, Monclova and Saltillo were given a little respite from a diet of prickly or cactus pears, mesquite beans and other wild products of northern Mexico prairies, where Special Agent Weller, like Mr. O'Connor, endeared

himself to the civilians and took many personal risks in their behalf."

In a report from a Red Cross Agent on file in the State Department at Washington appears the following:

"In conclusion, I only regret that some of our higher-up government officials could not have been with me to see the brand of individuals that are now in control of the situation in Mexico. They do not represent any of the good element in Mexico. They are lawless and have no more idea of patriotism than a yellow dog. They are mentally incapable of handling the situation. General Elisondo, in command at Monclova and also in command of a district larger than Massachusetts, is a boy of twenty-four years, uneducated and absolutely irresponsible. General Zuazua, formerly classed as a saloon bum around Eagle Pass, a Lieutenant-Colonel in command of a territory as big as Rhode Island, was sent to the Mexican army some fifteen years ago, having been arrested for stealing horses and cattle. These are not the exceptions but the rule of the character of the men who now dominate one of the largest states in northern Mexico.

"This fact is largely due to Carranza, who has allowed them to do as they please and they have no respect whatever for him, each man ruling his district as he sees fit.

"I do not find any difference between the Carranza faction and the Villa faction, with the exception that Pancho Villa seems to have a better control of his men. * * *

"Having been in personal contact with both factions, I believe that it would be a crime to turn loose this some 200,000 bandits, thieves, and scapegoats on the country. They are rotten with disease and have been divorced from all ideas of ever working again."

It is well to bear in mind that the authors of the foregoing statements have no financial interest in Mexico. They were made by the representatives of the Red Cross, whom Carranza banished because he did not wish the world to know through them the desperate condition to which he had brought his country.

In a speech made in the Senate of the United States June 2, 1916, Senator Fall, of New Mexico, stated that records on file in the Department of State showed that, at the very time when our Red Cross was feeding 26,000 families a day in Mexico City, the capital of the nation,

"Venustiano Carranza himself, or through adherents, shipped 37,000 tons of food stuffs through the port of Vera Cruz alone and got the golden dollars for it and put them in his pocket.

"I myself saw three carloads of potatoes, the last shipped out from the Guerrero District by Mexican officials and sold at El Paso, Texas, to put gold into their own pockets, while the people who raised these potatoes were living on roots or dying of starvation. If our Government does not know

these conditions, it is because its officials will shut their eyes and their ears."

This statement has never been challenged and it is so much of a part with other things that have been done by the Carranza party as to be entirely worthy of belief.

That the terrible condition of the masses of Mexicans depicted in the reports of Red Cross officials, quoted, still continues is shown by an article published in the New York *Sun* January 29, 1918. The article is introduced by a statement from the Editor of the *Sun* which says:

"In view of the many conflicting reports that have come out of Mexico since the United States declared war on Germany, the *Sun* sent a trained investigator into Mexico from Vera Cruz. His instructions were to be impartial and unbiased in his views and to depict the situation exactly as it is."

In the article in question the investigator of the *Sun* says:

"Mexico City is full of starving Indians, insufficiently clad and with no shelter to protect themselves at night to escape the icy winds that sweep down from the encircled snow-clad mountains when the sun goes down. They huddle together for warmth on recessed doorsteps, passing the bitter night in a physical state that must somewhat ap-

proach that of the hibernating bear, and in the morning they crawl into a sunny place and slowly thaw into life again, when they get up and resume their pathetic quest for food. They mutely appeal with outstretched hands and wistful eyes to the passer-by, and there are legions of them."

These conditions exist at the present time. A gentleman who had been in business in Mexico for some ten years prior to the beginning of the Carranza régime, who had travelled much throughout the country, returned there late last fall, to ascertain what present conditions were. He visited Mexico City and other points. I know this gentleman well, and can, therefore, vouch for his high character, and reliability. This is the substance of what he told me:

"I spent several weeks in October and November, 1918, in and around Mexico City, a locality I have known intimately for years. One evening I took a walk for the purpose of seeing what conditions were among the poor. I am sure that on that walk I saw at least three thousand miserable persons crouching in recessed doorways and other places that offered some slight protection from the wind. They were lying as close together as they could get, often with a dog in the centre of the pile to contribute the warmth of its body. They were men, women, and children. Most of the latter were naked, though a few had a ragged, dirty remnant of a coat or pair of trousers or, perhaps,

merely a piece of dirty cloth. The older persons were dressed in rags. In all the years I have known Mexico City I had never before seen such a sight.

"While in the city I met a Mexican gentleman who owned a large hacienda in the state of Guanajuato. He told me that in order to provide some employment for the people on his estate to keep them from starving he decided to have an improvement made which would keep a couple of hundred men, which was all the unemployed there were on the place, busy for some time. The news spread quickly that work was to be had on the hacienda, which was promptly stormed by an army of idle and hungry men. Not fewer than seven thousand men applied for work on a job that was only meant as a makeshift to provide bread for two hundred. Some of these applicants were so reduced by privation and want that they died on the ranch, having used their last remaining strength to reach what they hoped was a chance to work."

It should be borne in mind that these wretched creatures represent the "people" of Mexico; the peon population whose support the Carranza leaders sought and secured by promises to make conditions of life easier for them than they ever had been under former governments.

Some time ago newspapers in Mexico City announced that a small revolution had been started by the farmers in the State of Michoacan because the commanders of Carranza troops had confis-

cated the food the farmers had raised, and had sold it. This very thing has been done in numerous instances throughout Mexico by the representatives of the Carranza Government as was stated by Mr. Cabrera in a newspaper article quoted in another chapter.

It would be surprising if the members of the Carranza Government, who have shown such dishonesty in their dealing with private possessions, should refrain from exhibiting the same spirit in dealing with public property. That they have observed no such restraint is shown by many instances of the dishonesty of public officials that have come to light.

On October 25, 1917, an editorial appeared in *El Universal,* the leading daily of Mexico City, which said in part:

> "The transcendental depth of the bad railway communications with the consequent uncertainty of transport of passengers and merchandise continues to be one of the gravest problems to settle. Every little while assaults and blowings up of freight trains occur. The scarcity of rolling stock continues and more than anything else, the immoral exploitation of the railways by employees and military chiefs continues. The most important route which connects our first port with the capital of the republic, the route by which the greater part of our exportation leaves and through which almost all imported products from Europe come, is

the least safe right now. By what perfected telepathy, or by what arts of marvellous intuition, do bombs explode exactly under the trains filled with the richest and most abundant of high-priced goods?

"These distressing reflections come up again to our mind when we remember the strange circumstances of the destruction of the freight train blown up a short time ago near Atoyac. The locomotive was drawing a car of paper belonging to this newspaper; another, the property of the National Paper Company; a car full of condensed milk; others with valuable cloths, etc. It appears there was not a single death in the derailment and from data received up to now, it is known that the rebels got little or no result from their attack. We know very little about the fortune of the freight which came in this train consigned to various business houses of this capital. As to our 115 rolls of paper, we have been informed that they were transported almost intact to the city of Vera Cruz by a secondary military authority and sold there to merchants without conscience who bought them, knowing the crime they were committing. We have proof, for our special representative was present at the investigation ordered by the Governor of Vera Cruz, that the responsibility is all upon the military authorities of the port.

"If the public peace requires it, it is well that individual guarantees be suspended in all the country; but, if the military authorities are going to have full power, what will proprietors, merchants, industrial people do when their goods and sup-

plies are improperly sequestered? *May a Major Chief of the Line, or a General Chief of Garrison, dispose of private property without the owner having the right to protest?"*

It will be noted that the editor who thus complains of having been robbed by the military authorities at Vera Cruz of his 115 rolls of paper does not say that he recovered his property or that any one was punished for the theft.

I have a friend who, for many years before the Carranza party came into power, was engaged in a business enterprise in the City of Mexico for which he imported supplies in carload lots through Vera Cruz. The business which he conducted was one of considerable advantage to the city and to the Mexican people.

Some time ago I met this friend in this country where he is now making his home. He said, and his high character guarantees the truthfulness of his statement, that shortly after the Carranza party secured control of the line of railway between Vera Cruz and the City of Mexico, he was required by the management to pay $300 per car, in addition to the regular freight rate, before he could secure delivery of his freight. After his cars started from Vera Cruz they would disappear somewhere on the line and, before he could get them delivered, he would be forced to pay the

bribe demanded by the operating force of the railway. The amount of bribe money per car increased until at last he was met with the demand for $1,600 in order to secure delivery of a car of freight. This he paid and then closed up his business and left the country, as he found it impossible to continue under such exactions.

El Excelsior, a daily newspaper published in Mexico City, in its issue of November 28, 1917, contained the following:

"Under the pretext of modifying the law of organization of departments of government, Deputy Reynoso began yesterday in the Chamber of Deputies a sensational debate, brilliantly ended by Sanchez Ponton, on the economic management of the railways. According to these and other orators, the railway officials have made their hay to the damage of the public, of the nation, and of the credit which we used to have in foreign parts. The orator referred to the deal for the sale of waste material made a short time ago and says that he can prove that two-thirds of the iron and steel sold was new and perfect. Furthermore, he reads a statement of from January to June, 1917, according to which there were 238 railway accidents due to negligence of the employees and the neglect of old track repairment by Pescador, Director General of Railways.

"The Secretary read documents to prove that baggage and other railway matters are controlled by a brother-in-law of Pescador from which damage and delays of passengers result. * * *

"Sanchez Ponton read the contract made between Pescador and the Senator General Nafaratte for the sale of so-called waste material at $10 per ton and observes that the business was so good for the purchasers that the same Senator Nafarette ceded his rights for four pesos per ton and that the two gentlemen who figured as accomplices in the operation did the same thing.

"He continues making charges against certain other people on account of divers contracts as bad as that just cited and especially refers to one in which 70 pesos per ton was paid for steel belonging to the national railways."

El Universal of the same date, in its account of the proceedings in the Mexican Congress, contains the following:

"Among other charges by Deputy Reynoso made against Pescador, the worst is relating to a sale of a great lot of so-called old iron at $10 per ton when he states the fact is that three-fourths of this iron was new iron and that in it were 180 wheels and axles from Monterey." * * *

"Deputy Ponton read a copy of a contract made between Senator General Nafaratte and Messrs. Salazar and Maples, by means of which the first of said gentlemen transferred his rights to the second in a purchase made from the constitutionalist railways of 20,000 tons of old iron at $10 per ton. Nafaratte charged 4 pesos for each ton as a profit in the transfer. Later Ponton read a copy of the Certificate of Incorporation of the company organized by a brother of the railway auditor, the first

assistant to the director and the treasurer of the company, a company dedicated, as the confession in its circulars states, for the purpose of furnishing freight cars to those who need them.

"He also cited a deal for the sale of rails at 70 pesos per ton when they cannot at present be purchased at 140 pesos and said that payments were not received in money but in very bad and very costly ties.

"He also states that when metallic money began to circulate again, the great majority of railway employees were paid a determined amount in notes for a stated period; certain persons bought these notes at a discount of 25, 50, 60, and even 75 per cent. and when almost all of the notes had been cornered, the order was given to pay them, from which an enormous amount of money was made."

We thus see that General Nafaratte, one of the most prominent members of the Carranza administration, in a deal made for government property, secured a profit amounting to 4 pesos per ton on 20,000 tons of iron by merely permitting his name to be used, and that it was freely charged in the Mexican Congress that the poor employees of the national railways had been speculated upon to a shameful extent in the payment of their wages by the government.

It is commonly said in Mexico that the Villa and Zapata forces operating against Carranza secure their ammunition, and sometimes their

arms, by purchase from the commanders of the Carranza troops. On November 2, 1917, *El Universal* contained the following from a correspondent at Puebla under date of October 31:

"The Chief of the military operations in the state has decided to open proceedings against the chiefs of forces in charge of the garrisons near the zone not yet controlled by the government, who are accused of the very grave crime of being in connivance with the enemy to whom they furnish war supplies in exchange for articles easily sold which the Zapatistas introduce to the regions in which they operate.

"The accusations made to the superior military authorities were made by members of the Mexican brigade 'Hidalgo,' which was under the orders of General Segura and which now is converted into a regiment. Officers and troops of said corps informed General Villaseñor that Col. Patrinos and Lieutenant Colonel Torres, chiefs of forces operating in the Atlixco District, had established a criminal trade with the Zapatistas marauding around said city; the trade consisting in the interchange of hides and copper, products of Zapata raids, for ammunition and other war supplies which the supreme government puts into the hands of the army for the defense of our institutions."

In its issue of June 5, 1918, *El Excelsior* published the following news item:

"In round numbers the amount stolen from the Federal Treasury by paymasters now consigned to

the authorities is close to 600,000 pesos. There are 37 cases before the District Court of the Capital. The amount for which the paymasters on trial appear to be responsible is the sum before mentioned, or, to be absolutely exact, 585,000 pesos. In addition there are other cases before the Circuit Court, the Supreme Court of Justice and the District Courts of the states. From the data at hand, a moderate estimate of the sum involved in these cases would be 400,000 pesos. However, we lack the exact data to give a detailed account of these cases.

"With regard to the cases pending before the four District Courts of Mexico, two proprietory and two supplementary, we have the following information." * * *

The paper then proceeds to give the names of the thirty-seven defaulting army paymasters referred to with the amount which each is accused of having stolen. The list is too long for publication here, but it may be stated that the amounts run from 500 pesos to 180,000 pesos.

The foregoing instances of grafting are merely illustrative of the scope and extent of the public robbery perpetrated by the members of the Carranza government.

The United States Bureau of Statistics of the Department of Commerce and Labor shows the total revenue and expenditures of the National Government of Mexico for the fiscal year 1909-

1910, the last year of the Diaz régime, in United States dollars as follows:

Revenue	$52,952,000
Expenditures	47,324,000

Out of this payment was made of the interest on the national debt and on railroad bonds; the national railroads were kept in excellent physical condition, and all obligations of the government were met.

It is also of interest to note that during the last fifteen years of the Diaz régime, there was a surplus of national revenue amounting to $73,500,999, of which $36,500,000 was devoted to public works, the remainder of $37,000,000 being used to form a part of the available cash holdings of the National Treasury which existed when Diaz went out of power. The same statistical authority shows the national revenues and expenditures of the Carranza government during the fiscal year 1914-1915 to have been (in U. S. dollars):

Revenue	$72,687,000
Expenditures	75,798,000

It may be well to call attention specifically right here to the fact, although it is made plain in these pages, that this increase of twenty million dollars in the revenues as compared with the Diaz régime

does not indicate a healthy growth in commerce and industry, but quite the reverse. The national revenues are raised chiefly by confiscation rather than by a just tax on prosperous business. Furthermore, it must be noted that the national expenditures do not include a cent for the payment of interest or principal of the national debt. They could not have included any considerable sum for the maintenance of the railways for the reason that since the Carranza administration began operating them there has been a constant deterioration of rolling stock and permanent way until to-day there are barely enough engines and cars remaining in use to operate intermittently the most important two lines. Large mining and commercial interests are compelled to furnish their own rolling stock in order to secure service.

It will be noted in the following table that 120,755,631 pesos, or nearly two-thirds of the budget, is assigned to the Department of War and Marine, which, of course, means almost entirely to the army. There is no provision made for the payment of interest on the public debt and nothing for education beyond an item assigned to the "Bureau of University and Fine Arts"; nothing for the education of the common people who had been promised such liberal educational advantages by the Carranza party before it came into power.

The Federal appropriations passed by the Mexican Congress for 1918 were as follows:

	PESOS
Legislative Power	2,967,858.75
Executive Power	1,064,577.20
Judicial Power	1,552,258.00
Department of Government	1,280,428.50
Department of Foreign Affairs	3,362,591.50
Department of Finance and Public Credit	20,213,094.40
Department of War and Marine	120,755,631.65
Department of Agriculture and Fomento	7,005,683.00
Department of Communication and Public Works	21,382,229.65
Department of Industry and Commerce	2,831,384.00
Bureau of University and Fine Arts	2,269,301.00
Bureau of Public Health	1,898,396.50
Office of Attorney General of the Nation	549,888.50
TOTAL	187,133,322.65

In a statement published in the Washington *Star*, October 31, 1917, from a person described as Charles A. Douglas, "Counsellor in the United States for the Mexican Government, who returned to Washington this week after a month's stay in Mexico," the following appears:

"Order is being slowly but surely restored. Barring exceptional train robberies and small sore spots in the states of Morales and Durango, conditions are approaching normal everywhere. * * *

"The recently and intelligently revised system of education is in full operation from the common free schools all over the Republic to the National University at the capital. * * *

"The work of railroad rehabilitation is illuminating. More than 12,000 freight cars and locomotives were destroyed down to their steel frames during the Revolution. They are now running at full blast eight or ten workshops located in various sections of the Republic, giving work to 11,000 employees and the cars are being rebuilt wholly at home at the rate of 4,000 per annum."

Compare the foregoing with the following from a report of the debate in the Mexican Chamber of Deputies on the suspension of constitutional guaranties published in *El Universal* of Mexico City, October 17, 1917, at which time Mr. Douglas must have been in the Mexican capital, according to the Washington *Star*, in which Luis Cabrera, who at that time was second in importance in the Carranza administration, is quoted as saying:

"To commence a review of the determining factors of this present situation I must at once refer to our delicate economic situation. And I put it in the first place because we all know that in politics success comes with money and there can be

no success without money. * * * We have destroyed the banks because they opposed the revolution but now shall we say 'We are done; give us your bills again?' No; we will not do it. We have destroyed the railways because it was necessary to do it to combat the military enemy. Very well; now what we have to do is to repair the railways so that the blood of prosperity of the country may begin to circulate again over them, for without ways of communication we can do absolutely nothing. * * * Our political obligation toward attacks on train and highway robbery is to study them to see if they are independent or if there is some cause which unites them. * * * Does the army exist? Yes. Does the Villa movement exist? Yes, it exists and it must be extirpated ruthlessly. Does the Zapata movement exist? Yes, the Zapata movement covers exactly the large grant which Charles V assigned to Marquis Del Valle: Morelos, Puebla, Tlaxcala, Oaxaca and Chiapas."

The places named by Mr. Cabrera as the locale of the Zapata movement are five Mexican states. His statement harmonizes with other facts adduced in this chapter, all tending to show the existence of a condition very far from that described in the Washington *Star* article.

Regarding the "recently and intelligently revised system of education," which according to the Counsellor for the Mexican Government, "is in full operation, from the common free schools all

over the Republic to the National University at the capital," the following excerpt from *El Excelsior*, of Mexico City, for December 21, 1918, will be found illuminating:

"One hundred and sixteen thousand three hundred eleven children of school age in the Federal District are receiving no instruction at all. This figure, which is all the more significant—and discouraging—in that it relates to a section which is usually considered the most cultured of the Republic, has been taken from the statistical data just published by the Bureau of Education.

"The present census gives the Federal District a population of approximately 1,000,000 inhabitants. Applying the generally accepted rule which gives 20 per cent. of the total population to children of school age, there should be 200,000 such children in the Federal District.

"The school census taken at the opening of the present year—which was unquestionably deficient in several respects—shows an enrolment of 89,689 children, thus leaving 116,311 children who are receiving no instruction at all. These figures, which offer much food for thought, bring out strikingly the backwardness of education as compared with former years.

"In 1910, when the population of the Federal District according to the census of that year, was 720,752, the school enrolment was 86,896, a difference of less than 3,000, with a population of 300,000 less than in the present year.

"But even more recent years have shown a

larger school attendance than for the year just closed. Thus, in 1917 the attendance reached 104,038, that is to say, 21,000 more pupils than there are to-day.

"If we turn now to the number of schools, here again we find a remarkable difference. In 1910, the following schools were open: Grade Schools 332; Higher Grade Schools 40; Night Schools (Extension Schools) 42; Kindergarten 5—total 419.

"During the year just closed the following schools were open: Grade Schools 270; Higher Grade Schools 60; Night Schools (Extension Schools) 42; Kindergartens 11—total 382.

"It will be seen, therefore, that to-day with a larger population the Federal District has 36 less schools than it had in 1910.

"The number of teachers assigned to the 382 schools that were open during the past year was 1980, of whom 826 were Normal School graduates, 335 certified teachers, and 819 were without any certificate at all.

"The budget for last year, which covered the Federal District, and the territories of lower California, Tepic, and Quintana Roo, assigned 13,000,000 pesos to educational purposes. The budget for 1919, covering only the Federal District, carries only 5,500,000, distributed as follows: For the City of Mexico 2,971,634; for the municipalities exclusive of the city, 955,455; for the Bureau, 1,817,385."

One of the gravest charges brought by the Carranza revolutionists against their predecessors

and most strongly insisted upon, was that proper provision had not been made for the education of the masses of the Mexican people. The Carrancistas pledged themselves to afford ample facilities for popular education, as the most important of the reforms which they were to institute. Notwithstanding this, we find that, although the population of the capital city of Mexico has increased nearly 50 per cent. since 1910, the last year of the Diaz administration, there is to-day in the Federal District containing the City of Mexico, 37 fewer schools than existed in 1910. Furthermore, while the Carranza budget for last year for education in the federal district and territories was 13,000,000 pesos, the national budget for education for 1919 carried only 5,500,000 pesos. This, of course, means that the public revenues are being so fully absorbed by the grafting officers of the army which keeps Carranza in power, that little is left for popular education. The failure of the Carranza régime to live up to its promises is emphasized by the fact that its declared annual income is 46,000,000 pesos larger than was that of the Diaz administration.

Propaganda publications maintained in Washington by the Carranza government assure the public in almost every number that peaceful conditions throughout all the territory of Mexico are nearly or quite restored. Notwithstanding all

this it appears that nearly two-thirds of the national appropriation for the year 1918 has been devoted to maintaining the military power.

To all who understand conditions in Mexico, this means that the heads of the army are being bribed, at the cost of the public, to maintain the Carranza element in power, and that the leaders of that party are prepared to sacrifice the country and its people in every way so long as they may retain the reins.

While the Carranza government is devoting nearly two-thirds of the national revenue to the army, recent reports show how the mass of the people are faring and what is being done for their benefit. An American business man of high character who had just returned from a trip through Mexico for the purpose of deciding whether it was possible to reopen an important public-service undertaking in the City of Mexico which had necessarily been discontinued shortly after the Carranza forces took possession of that city, writing under date of March 21, 1918, reported the following among other things:

"Our train left Laredo, Mexico, on time, February 17, and the trip was very pleasant from there until we reached San Luis, from which point it was necessary that we be accompanied by an armoured train and on asking the reason for this we were informed that the country thereabouts was in-

fested with bandits, so much so that it was unsafe to travel save in this way. An armoured car was attached to the rear of the Pullman. In this way we got through without any mishap. The train that went to the city the day previous was detained for five hours while the bandits were being driven into the hills.

"As you know, the national railways of Mexico pass through a very rich agricultural section of the republic and this is the season of the year when the ranchers should be busy planting their crops. On the entire trip we did not see a single man in the fields getting ready for spring planting and saw that very little fall wheat had been sown. The crop this year from that section of the Republic will be very small. In addition to the above we did not see more than one hundred head of cattle grazing on the entire trip.

"During the first day in the city we were surprised by the number of people on the streets and were told that the city and its suburbs now had a population of one million people, and that the cities of Vera Cruz and Guadalajara had populations of sixty-five and one hundred and fifty thousand people, respectively. This condition is brought about by the fact that it is not safe for them to live out in the country and work their farms. This great influx of people has caused rents and foodstuffs to increase in price, or as it was expressed, there is a large consumption here and no production.

"The railroads of the country are all in control of the government. The trains that run to Laredo and Vera Cruz are being run, and will be run, at all

hazards to the extent of the Carranza control. Trains to Laredo run every day and those to Vera Cruz run about five days each week. This irregularity is due to rebel activities in the vicinity of Ometusco.

"The train equipment on these two roads is kept in good shape due to the fact that all of the equipment of the railroads of the Republic is concentrated on the two lines. Up to the present time, when the equipment was getting to be in bad shape, the government would confiscate another railroad and replenish, but now they have taken over their last road and the source of supply will soon be exhausted. To show how the railroad equipment has deteriorated, let us state the following facts:

"The Mexican railroad had in its service 100 engines. After nine months' operation by the government of Mexico, there are only 30 of these engines that are fit for service. Of the equipment of nationally owned lines, at least ninety per cent. is in the yards along the lines. Aguascalientes yard has 288 broken-down engines, San Luis 231, and all the other small yards are full. Steel for the repairing of the tracks is being secured from the old Central Railroad of Mexico.

"The Mexico City of to-day is not the Mexico City of six years ago. At that time, the people looked better, the streets were cleaner, the pavements were in good condition, the foreigners were all busy and provided employment for all the Mexican people who wanted to work. Their homes were kept up in good shape and showed evidences of prosperity and wealth. None of this

exists now; just the reverse, and it is plain to the casual observer that the present state of affairs can easily be traced to the inefficiency of the several parties which have ruled the country during the elapsed time.

"Not a single one of the several rebel chiefs, who have been in power, can be said to represent the wishes of the Mexican people. They do represent a small faction and all of the laws made and enforced in that time have been for the benefit of the officials and their friends and not for the people.

"The present officials are taxing the people much above the taxes of former years. They are collecting more money but they are not paying their employees. School teachers in the City of Mexico have not been paid for months. Clerks in the employ of the government are receiving half pay. But they do not fail to pay the excessive salaries of the generals and a few subordinates who are so much in evidence in the streets, riding around in high-priced automobiles.

"The generals and their subordinates in Mexico City are the only government employees who are receiving full pay. This pay is increased by graft secured on army business, so that thousands of dollars are expended by each one in the purchase of automobiles and the entertainment of disreputable characters. This was so marked that a history of the subject was published in *El Universal*, which antagonized the army officials to such an extent that the editor of this paper was thrown into jail where he was kept for more than a month. Needless to say, the article did not have the desired effect as the dissipation increased rather than de-

creased. If such a thing is possible, it is getting worse every day."

Another description of conditions up to the end of June, 1918, is furnished by a gentleman who had resided in Mexico City during all of the revolutionary period until the latter part of last June. He is a newspaper man of experience, a trained observer, familiar by years of life in Mexico with the people of the country and the conditions which prevail. His character is so high that I am convinced that he is entitled to the fullest credence. He says:

"According to newspapers, entirely friendly to the Carranza administration, literally thousands of government employees have been dismissed, including not only clerks in the government departments but school teachers and railway men as the railways of the country are being operated by the government. Even entire government bureaus have been abolished. There is retrenchment everywhere along the line except in one department of the government—the military establishment. The significance of this fact is not to be overlooked.

"In *El Universal*, a Mexico City newspaper now owned by prominent officials of the Mexican Government and entirely friendly to Carranza, a good bird's-eye view of the situation in Mexico is given in an editorial published June 5, 1918. The editorial seeks to remonstrate with certain rail-

road employees for protesting against a government order that their wages should be paid 75 per cent. in cash and the remainder in government promises to pay to be redeemed in actual cash 'when there is an improvement in the economic circumstances that prevail at present.' The editor says:

"'The argument [of the employees] is based on a falsehood, namely, that the weight of this policy of economy will fall solely on the working men of the Mexican Railway. The truth is that the weight of this policy of economy has been felt for some time past by social classes just as important as the Mexican Railway workmen. The facts are much too recent to call for repetition. Who is ignorant of the fact that many government bureaus have been closed because of the policy of economy? *Thousands of school teachers have been dismissed; thousands of government employees have been discharged,* even in the railways, the reduction of the personnel cannot be called slight.

"'*Did not the newspapers of yesterday or the day before state that nine hundred railway men, who had been dismissed from their jobs, were going to the United States?*'

"There is great suffering among the lower classes from lack of food and the pangs of hunger are not unknown among the middle classes. Beggars, always numerous in Mexico, have multiplied tenfold. In Mexico City, beggars are constantly at the entrances of all the restaurants of any size and persons going in and out are importuned for charity. *Waiters have to keep constantly on the alert to prevent beggars in their filthy rags from entering*

the restaurants and begging bits of food from persons dining at the tables. In the central streets of the capital at night, it is a common sight to see doorways heaped with boys and girls of tender age, sleeping huddled together for warmth, often with a dog or two in the pile.

"Excessive prices of corn and beans make it almost impossible for the poorer classes to use them and the middle classes, whose wages have been only slightly increased, if increased at all, are in even greater straits as they have to maintain an appearance of respectability.

"As a class, perhaps, there has been no greater suffering than among the school teachers. In some of the states, there were instances where the teachers in the public schools had not been paid for four or five months. In Mexico City even, it was frequently the case that their pay was a month or more in arrears.

"Under the Mexican system, they should receive their pay every ten days, there being three pay days to the month. Due to the characteristic Mexican custom of living from day to day, the passing of even one pay day was a serious matter, causing suffering and with the pay constantly in arrears, teachers, as a class, were almost always in a state of not knowing where their next meal was to come from.

"I was told by a former Mexican public school teacher, who is now working in a private institution, that she frequently met her old friends on the street and that their constant story was that of suffering and want. She said that at first she hesitated to offer them money but having made the

experiment once, she never hesitated again. *She said that the offer of a peso or a half peso brought tears of gratitude to the eyes of the recipient and often a confession of not having tasted food for twenty-four hours or longer. These were teachers coming from the respectable middle class, and even in some cases, from former wealthy families of the upper classes, and only extreme necessity would have brought them to the point of accepting alms.*

"In the state of Zacatecas months passed without the school teachers being paid and during the teachers' convention at the state capital, for the purpose of registering a general protest, statements were made that *teachers had pawned all their furniture and other household goods, and in many cases, actually were on the verge of starvation.* One man teacher stated that he had just lost a child because he could not by any possible means obtain money to buy certain foods which the attending physician had declared were necessary to save the child's life.

"In the states and in the capital teachers of many years' experience have abandoned their positions and sought other means of making a living, often being forced into menial employment.

"In travelling from Mexico City to the American border one cannot fail to be impressed with the number of beggars at the stations as the train proceeds through the central Mexican states and, with the added fact that, as the American border is approached, the beggars are less numerous and finally disappear altogether.

"A typical condition is described in the following note from the San Luis Potosi correspondent of

El Excelsior, one of the leading Mexico City newspapers:

"'San Luis Potosi, June 2—A great affluence of beggars has been noted in different parts of the city for some days past, especially in the paseos and central streets. Passers-by are literally assaulted by these beggars—sometimes there are entire families of them—who appeal to the charity of the public. The sights presented by these persons, in addition to being repugnant, are highly immoral, *as many of them, including men, women, and children, exhibit themselves in the public highways in a condition which lacks but little of complete nakedness, often a serious danger to the public health on account of the filthy condition of the rags which but half cover them.*'

"The Mexican army is Carranza's salvation and at the same time is his greatest danger. Estimates as to the actual force sunder arms vary from fifty to seventy-five thousand, the observer stating that the pay rolls probably show double the number given in their estimates. This army is the biggest drain on the Carranza treasury; it is keeping the federal government in a state of bankruptcy, and yet so widely spread are revolutionary activities in Mexico that the maintenance of such a force is necessary.

"The Carranza income is larger than that of the Diaz government and could he reduce army graft even fifty per cent. his problem of making the income meet disbursements would be comparatively easy.

"On June 18, 1918, *El Universal* published the following:

"'We were informed yesterday from an authorized source that in the new budget the federal government is preparing, the salaries assigned to government employees will be seventy-five per cent. of that they now receive. At present seventy-five per cent. of the salary is being paid in cash and twenty-five per cent. in bonds but, in the new budget, the salary basis will be seventy-five per cent. of that now in effect.'

"It is virtually impossible for Carranza to stop graft and keep a loyal army. This is more especially the case when one remembers that some of the leading generals with the most important commands in the country are earning very modest salaries and living at the proverbial clip of Pittsburgh millionaires despite the fact that they had no private fortunes before joining the Carranza movement."

The criminal waste of public funds by public officials in Mexico City at the present time is mentioned in the article from the New York *Sun*, previously referred to, in the following language:

"Mexico City wears an awful aspect and the awfulness is accentuated by the contrast between the dark, filthy patios, in which the starving peons huddle and the *palaces built by the 'Cientificos' of the Diaz régime where the Carrancista officials now hold obscene orgy. Carranza himself has chosen the magnificent residence at 95 Paseo de la Reforma as his private residence. Each general has his own picked troop to guard his residence and a military band to entertain him.*"

It is evident, judging from all reliable information, that the Carranza party has violated its pledges to the people of Mexico as completely as the pledges of its leaders to the United States and the civilized world were violated.

While generals of the army are permitted to rob the public funds and pursue a career of shameless dissipation and extravagance, the employees of the railroads have their wages reduced; the school teachers remain without their pay and are forced to resign their positions by thousands; the civil employees of the government are dismissed and departments closed while important business remains unattended to. The country is filled with beggars, and people are dying by the thousands for lack of the necessities of life.

The experience of the masses of the people under the government given the major portion of Mexico by the Carranza party furnishes a striking parallel to that of the Russians at the hands of the Bolsheviki. In every country there exists a predatory element whose chief ambition it is to secure control of the machinery of government by violence and then to use it in depriving industrious, frugal people of the property they have accumulated, and dividing it among themselves. This element is represented in Mexico by the Carranza party, in Russia by the Bolsheviki, and in the United States by the I. W. W.

In Mexico the destruction of productive industry by the greed of this party has deprived hundreds of thousands of the citizens of the chance of making a living and has brought indescribable miseries upon that country. Dispatches day by day for the last year have told the story of similar conditions in Russia, brought about by the actions of the Bolsheviki. By their plots for burning harvest fields, grain elevators, factories of various kinds, and destroying animals, the I. W. W. have shown that they would do the same thing if they should ever succeed in securing control of our country as the Carranza party has in Mexico and the Bolsheviki in Russia.

The fact that in each country these predatory elements have been the tools of Germany, have accepted her money, done her criminal bidding, and in every way shown their sympathy for that country and its malignant purpose, to thwart which the Allies have expended the lives of millions of their citizens and billions of money, presents a peculiar psychological situation. Surely, the evident sympathy of these criminal classes in each country with Germany can be accounted for only on the theory that it is an expression of that "fellow feeling which makes us wondrous kind."

CHAPTER II

Character of the Carranza Revolutionary Party Constituting the Recognized Government of Mexico—The Relations Established with the United States and the Rest of the World

THE character of the Carranza revolutionary party may be judged by the record of negotiations between its representatives and our own Department of State and by its acts in conducting the recognized government of Mexico. Some of the most important of these negotiations are set forth in U. S. Senate Document No. 321, entitled "Affairs in Mexico." The relations established by the Carranza régime with the United States Government and with other nations are shown by the communications contained in that document. Still more illuminating is the record made by the Carranza government by its treatment of foreigners, especially Americans.

The information contained in Senate Document No. 321 was elicited by a resolution adopted by the Senate on January 6, 1916, which was in part as follows:

"Resolved, That the President be requested, if not incompatible with the public interests, to in-

form the Senate upon the following subjects and to transmit to the Senate the documents, letters, reports, orders, and so forth, hereinafter referred to:

"First. Is there a government now existing in the Republic of Mexico; and if so,

"Second. Is such government recognized by this Government; how is such government maintained, and where; who is now the recognized head of such government, and is the same a constitutional government?

"Third. By what means was the recognition of any government in Mexico brought about, and what proceedings, if any, were followed prior to and resulting in recognition, in any conference between this country and Argentine, Brazil, Chile, Guatemala, and any other country or countries?

* * *

"Sixth. What assurances have been received from the Mexican Government, or requested by this Government, as to payment of American damage claims for injury to life or property of our citizens resulting from the acts of Mexico or citizens of that country within the past five years?

"Seventh. What assurances have been given by the Mexican Government as to the protection of foreigners and citizens, and particularly in the free exercise of their religion, in public or in private?"

In response to this resolution, the President, on February 17, 1916, transmitted to the Senate a letter to himself from the Secretary of State, at-

tached to which were various documents to which the Secretary refers. In this letter the Secretary says [the italics throughout are the author's]:

"(1) The government at present existing in Mexico is a *de facto* government established by military power which *has definitely committed itself to the holding of popular elections upon the restoration of domestic peace.*

"(2) This *de facto* government of Mexico, of which General Venustiano Carranza is the chief executive, was recognized by the Government of the United States on October 19, 1915. * * *

"It cannot be said that the *de facto* government of Mexico is a constitutional government. The *de facto* government, like the majority of revolutionary governments is of a military character, but, as already stated, *that government has committed itself to the holding of elections, and it is confidently expected that the present government will, within a reasonable time, be merged in or succeeded by a government organized under the constitution and laws of Mexico.* * * *

"(6) With regard to the settlement of American claims against the Mexican Republic for injuries to the lives or property of American citizens, the undersigned has the honour to direct your attention to the copy of a letter from Mr. Arredondo (the *de facto* government's agent in Washington), dated October 7, 1915, and its enclosures heretofore referred to and hereto appended as Enclosure No. 4 and its annexes.

"(7) With reference to the assurances given by

the Mexican Government concerning the protection of foreigners and 'citizens,' particularly respecting the free exercise of religion, the undersigned encloses herewith a letter on the subject from Mr. Arredondo, dated October 8, 1915, (Enclosure No. 7)."

In Mr. Arredondo's letter, referred to by the Secretary of State as Enclosure No. 4, appears the following:

"Mr. Venustiano Carranza, depositary of the executive power of Mexico, whom I have the honour to represent in this country, has authorized me to say to your Excellency that his public declarations of December 12, 1914, and June 11, 1915, bear the statement that the government he represents in its capacity of a political entity, *conscious of its international obligations and of its capability to comply with them, has afforded guaranties to the nationals and has done likewise with regard to foreigners and shall continue to see that their lives and property are respected in accordance with the practices established by civilized nations* and the treaties in force between Mexico and other countries. That besides the above, *he will recognize and satisfy indemnities for damages caused by the revolution which shall be settled in due time and in terms of justice.*"

Mr. Arredondo's letter was accompanied by a number of documents, referred to by the Secretary of State as "annexes." The first of these, in

order of date, is entitled "Plan of Guadalupe" and appears to be the declaration of principles upon which the Carranza revolution was founded. This declaration is dated March 26, 1913, and purports to have been signed by sixty-four officers of the troops of the state of Coahuila with which Carranza, then governor of that state, began his revolution against the Huerta government, which had succeeded the murdered Francisco Madero. In this "Plan of Guadalupe" appears the following;

> "Whereas the legislative and judicial powers have recognized and protected General Huerta and his illegal and anti-patriotic proceedings contrary to constitutional laws and precepts; * * * we, the undersigned, chiefs and officers commanding the constitutionalist forces, have agreed upon and shall sustain with arms the following:
>
> "1. General Victoriano Huerta is hereby repudiated as President of the Republic. * * *
>
> "4. For the purpose of organizing the army which is to see that our aims are carried out, we name Venustiano Carranza, now governor of the state of Coahuila, as first chief of the army *which is to be called 'Constitutionalist Army.'*
>
> "5. Upon the occupation of the City of Mexico *by the Constitutionalist Army,* the executive power shall be vested in Venustiano Carranza, its first chief, or in the person who will substitute him in command.
>
> "6. The provisional trustee or the executive power of the Republic *shall convene general elec-*

tions as soon as peace may have been restored and will surrender power to the citizen who may have been elected."

Accompanying the letter of Mr. Arredondo was a document entitled "Résumé of the Mexican Constitutionalist Revolution and Its Progress," of which Mr. Arredondo was the author, in which, after reciting the deaths of President Madero and Vice-President Suarez and their succession in power by General Huerta, he says:

> "Mr. Venustiano Carranza, upon being apprised of the above-mentioned outrageous assault *and of the infringement of the federal constitution* and acting in his capacity of the governor of the state of Coahuila *and in fealty to the oath he had taken upon entering into the performance of his high investiture to preserve and cause all others to observe the federal constitution and to guard its institutions* repudiated the aforesaid General Huerta as President of Mexico and initiated that which has been named as 'The Revolution of the Constitutionalist Party.'"

Mr. Arredondo also transmitted to the Secretary of State, as an "annex" to his letter, a document entitled "Decree of General Carranza" dated December 12, 1914, which was signed by General Carranza and in which the following occurs:

"That the undersigned, in his capacity *as constitutional governor of the state of Coahuila, had solemnly taken the oath to observe and cause the general constitution to be observed, and that complying with this duty and of the above oath,* he was inevitably obliged to arise in arms to oppose the usurpation of Huerta *and to restore constitutional order in the Republic of Mexico.* * * *

"That, it being imperative, therefore, that the interruption of constitutional order should subsist during this new period of struggle, the Plan of Guadalupe should, therefore, continue to be in force, as it has been the guidance and banner of it, until the enemy may have been overpowered completely *in order that the constitution may be restored.* * * *

"Article 4. Upon the success of the revolution when the supreme chieftainship may be established in the City of Mexico and after the elections for municipal councils in the majority of the states in the republic, the first chief of the revolution, as depository of the executive power, *shall issue the call for election of congressmen,* fixing in the call the date and terms in which the election shall be held."

Mr. Arredondo also transmitted with his letter an "annex" entitled "Declaration to the Nation," signed by V. Carranza, dated June 11, 1915, in which the following occurs:

"Treason was carried into effect by General Huerta under the pretext of saving the City of Mexico from the horrors of war. * * * The

President and Vice-President were assassinated and, due to the complicity or weakness of the other powers, the nation was left without a constitutional representative. Then I, as governor of the state of Coahuila, *and in obedience to the constitutional provisions, articles 121 and 128 of our fundamental charter,* assumed the representation of the republic in the terms in which the constitution itself vests me with this right, and supported by the people which rose in arms to regain its liberty. In fact, the above-mentioned articles provide the following:

"'Every public officer, without exception, prior to his taking possession of his charge, *shall render an oath that he will sustain the constitution and the laws emanating therefrom. This constitution shall not fail in force or vigour, even though on account of rebellion its observance may be interrupted.* In the case that pursuant to a public disturbance a government contrary to the principles sanctioned by the constitution may be established, *as soon as the people regains its freedom its observance shall be reëstablished* and, according to it and to the laws which by virtue of it may have been enacted, those who may have figured in the government emanated from the rebellion shall be tried as well as those who may have coöperated in the movement.' * * *

"*With a view to realizing the above-mentioned purposes,* I have deemed proper to inform the nation upon the political conduct to be observed by the constitutionalist government, in the performance of the program of social reform contained in the decree of December 12, 1914."

"First. *The constitutionalist government shall afford to foreigners residing in Mexico all the guaranties to which they are entitled according to our laws, and shall amply protect their lives, their freedom, and the enjoyment of their rights of property, allowing them indemnities for the damages which the revolution may have caused to them,* in so far as such indemnities may be just and which are to be determined by a procedure to be established later. *The government shall also assume the responsibility of legitimate financial obligations.*" * * *

Fourth. *There shall be no confiscation in connection with the settlement of the agrarian question.* This problem shall be solved by an equitable distribution of the lands still owned by the government; by the recovery of those lots which may have been illegally taken from individuals or communities; by the purchase and expropriation of large tracts of land, if necessary; by all other means of acquisition permitted by the laws of the country." * * *

"Seventh. In order to establish the constitutional government, the government by me presided shall observe and comply with the provisions of articles 4, 5, and 6 of the decree of December 12, 1914."

It should be noted that the two documents entitled respectively "Decree of General Carranza," dated December 12, 1914, and "Declaration to the Nation," signed by V. Carranza, dated June 11, 1915, were, when they were issued, given the widest possible circulation in this country, as well

as abroad, with the intention, undoubtedly, of appealing to the sympathy and support of our country and the world *for the declared effort of the Carranza revolutionists to restore the constitution in its full force and thereby give to Mexico a government which should safeguard the rights of her own people, as well as of foreigners.* These documents, undoubtedly, had that effect among people who knew the Mexican constitution of 1857, referred to in them, as being an admirable organic law for the foundation of a democratic government.

The "Inclosure No. 7," referred to in paragraph 7 of the letter of the Secretary of State to the President is a letter from Mr. Arredondo to the Secretary of State, dated October 8, 1915, as follows:

> "My Dear Mr. Lansing: Complying with your Excellency's request asking me what is the attitude of the constitutionalist government in regard to the Catholic Church in Mexico, I have the honour to say that inasmuch as the reëstablishment of peace within order and law is the purpose of the government of Mr. Venustiano Carranza, to the end that all the inhabitants of Mexico without exception, whether nationals or foreigners, may equally enjoy the benefits of true justice, and hence take interest in coöperating to the support of the government, *the laws of reform, which guarantee individual freedom of worship according to everyone's conscience, shall be strictly observed.*

Therefore the constitutionalist government will respect everybody's life, property and religious beliefs without other limitation than the preservation of public order and the observance of the institutions in accordance with the laws in force and the constitution of the republic.

"Hoping that I may have honoured your excellency's wishes, I avail myself of this opportunity to reiterate to you the assurances of my highest consideration

"E. ARREDONDO."

There was also included in the report to the Senate a letter from the Secretary of State to Mr. Arredondo, dated October 19, 1915, as follows:

"MY DEAR MR. ARREDONDO: It is my pleasure to inform you that the President of the United States takes this opportunity of extending recognition to the de facto government of Mexico, of which Gen. Venustiano Carranza is the chief executive.

"The Government of the United States will be pleased to receive formally in Washington a diplomatic representative of the de facto government as soon as it shall please General Carranza to designate and appoint such representative; and, reciprocally, the Government of the United States will accredit to the de facto government a diplomatic representative as soon as the President has had opportunity to designate such representative.

"I should appreciate it if you could find it possible to communicate this information to General Carranza at your earliest convenience.

"Very sincerely yours,

"ROBERT LANSING."

The foregoing correspondence between Mr. Arredondo, the agent of the Carranza revolutionists at Washington, and our Secretary of State plainly shows two things:

First, that our Government, trusting in the pledges contained in the communications of Mr. Arredondo to it and in the various declarations of General Carranza, conferred upon the constitutionalist revolutionary party, headed by General Carranza, recognition as "the de facto government of Mexico of which General Venustiano Carranza is the chief executive."

Second, that when the Secretary of State in his letter to the President referred, in paragraphs 6 and 7 of that letter, to Mr. Arredondo's letters of October 7, 1915, and October 8, 1915, with annexes quoted from, he intended that those should be accepted as an answer to the inquiries appearing in paragraphs 6 and 7 of the Senate resolution, as to what assurances had been received from the Mexican Government regarding the payment of damages for injury to the life or property of American citizens; the protection of

foreigners and citizens in Mexico, and the free exercise of their religion.

The final outcome of the pledges that the personal, property, and religious rights of foreigners in Mexico would be observed by the Carranza Government that were iterated and reiterated by the head of that government, and by its representative in Washington, appeared when the new constitution of Mexico was adopted by the Carranza party on January 31, 1917. An inspection of that instrument shows that every pledge made by the representatives of the *de facto,* since recognized as the *de jure,* government was deliberately and completely violated. The record made by the Carranza administration since the adoption of that constitution in dealing with the rights of foreigners has shown a consistent and continued violation of all those rights. To show how completely the pledges of the Carranza government were broken by the new constitution, a reference to a few of the provisions of that document will be appropriate.

THE MEXICAN CONSTITUTION OF 1917

It will be observed that General Carranza, as the head of what he and his followers had denominated the "Constitutional Party of Mexico," repeatedly made the pledge that as soon as he was established in the City of Mexico he would issue

a call for the election of Congressmen. The record shows that he did nothing of the kind. To the contrary, as soon as he found himself in control of the City of Mexico in the summer of 1914 he declared a "preconstitutional period," setting aside the constitution he had claimed he fought to restore and in the fall of 1915 he issued a call for a constitutional convention whose functions it should be to enact for Mexico a constitution *de novo* in complete disregard of the constitution of 1857 to which he and his adherents had pledged unlimited fealty in communications addressed to our country and to the world.

To show just how completely this action of the Carranza party violated the rights of the Mexican people, it should be observed that *the constitution of 1857 was adopted by the vote of representatives of all the Mexican people,* whereas when General Carranza issued his call for the election of delegates to a constitutional convention *several states of the republic were in no sense under his control and his writ calling the election did not run in those states.*

This fact is well known to everyone acquainted with the conditions which obtained in Mexico at that time and if any additional proof were needed it is found in the fact that shortly after the constitution was adopted, Mr. Cabrera, the Secretary of Finance under Carranza, stated on the floor of the Mexican Congress that the five

states of Tlaxcala, Puebla, Morelos, Oaxaca, and Chiapas were entirely under the control of opponents of the Carranza government. Furthermore, in his call for the election, First Chief Carranza expressly provided that *the elective franchise should be exercised only by those citizens who were known to have been the supporters of his revolutionary party.*

Thus, we have the spectacle of the chief of a movement which he denominated the "Constitutional Party," pledged to the restoration of the constitution of 1857, deliberately throwing that instrument upon the scrap heap and assuming to enact a new constitution for the whole Mexican nation by a convention whose members did not represent several states of the Mexican federal union and were in no sense the representatives of all the citizens even in the states in which the election was held, because, by the very terms of the writ calling the election, a large number of those citizens were disfranchised. It has been stated, and I believe truly, that the votes cast for delegates represented less than 2 per cent. of the population.

A glance at some of the provisions of this new constitution will show how completely it violated, in every possible way, the pledges that had been made to our Government and the rest of the world by the Carranza party. Section XIV of Article 27 of the new constitution provides:

"*Commercial stock companies shall not acquire, hold, or administer rural property.* Companies of this nature which may be organized to develop any manufacturing, mining, petroleum, or other industry, excepting only agricultural industries, *may acquire, hold, or administer land only in an area absolutely necessary for their establishments or adequate to serve the purposes indicated, which the executive of the union, or of the respective states, in each case, shall determine.*"

Almost all large real estate holdings of foreigners in Mexico in the form of ranches, coffee and rubber plantations, and great projects for the irrigation of arid lands were held by corporations regularly organized under the laws as they had existed under the constitution of 1857. It will be noted that by the terms of the foregoing provision it is made impossible for any corporation to hold any rural or agricultural property, and, as a result, under a strict construction of this provision, many great properties belonging to foreigners, and particularly to Americans, are to-day without legal ownership.

Furthermore, so far as manufacturing, mining, petroleum, and other industries of that nature are concerned, the executives of the nation and of the respective states are given the arbitrary authority to determine what extent of lands are "absolutely necessary" to carry on their business and to divest them of all other lands. No appeal

is provided against the exercise of this most despotic power. No one who is at all acquainted with the character of the men who have come into office under Carranza can for a moment suppose that the great majority of them will neglect such an opportunity for robbing the foreign owners of mining and petroleum properties either by arbitrarily taking from them the larger or more valuable part of their holdings or by extorting money from them by threats of exercising this power.

In the same Article 27 is found the following provision, relating to mineral deposits, including petroleum:

> "In the nation is vested direct ownership of all minerals or substances which in veins, layers, masses, or beds constitute deposits whose nature is different from the components of the land, such as minerals from which metals and metaloids used for industrial purposes are extracted; beds of precious stones, rock salt, and salt lakes formed directly by marine waters; products derived from the decomposition of rocks, when their exploitation requires underground work; phosphates which may be used for fertilizers; *solid mineral fuels; petroleum and all hydro-carbons—solid, liquid, or gaseous.*"

Under the national laws formerly in force, "solid mineral fuels; petroleum and all hydro-

carbons—solid, liquid or gaseous" were the property of the owners of the lands in which they existed. Under this law the title to the petroleum deposits as well as to coal mines, was acquired by foreigners who invested their money in the development of these great natural resources which had been neglected for four hundred years by the Latin masters of the country. Thus, at a stroke of the pen, all these great deposits of natural wealth, which had been bought and paid for by their foreign owners, are confiscated and the ownership transferred to the nation.

The effort on the part of the Carranza government to assert the national ownership of these petroleum deposits has recently called forth a letter of protest from our ambassador at Mexico City. In this letter the position, entirely correct under international law, is taken that the attempt on the part of the new Mexican constitution to transfer the ownership of the oil deposits, that had been acquired by American citizens by purchase, to the Mexican nation is a violation of international law which works great injustice to our citizens and can not be tolerated. This matter is now under discussion, but there can be no doubt that, unless the Carranza government is compelled by the sternest attitude on the part of this nation to hold its hand, this robbery will be consummated.

Section VII of Article 27 of the new constitution provides, as follows:

"During the next constitutional term, the Congress and the state legislatures shall enact laws, within their respective jurisdictions, for the purpose of carrying out the division of large landed estates, subject to the following conditions:

"(a) In each state and territory there shall be fixed the maximum area of land which any one individual or legally organized corporation may own.

"(b) The excess of the area thus fixed shall be subdivided by the owner within the period set by the laws of the respective locality; and these subdivisions shall be offered for sale ON SUCH CONDITIONS AS THE RESPECTIVE GOVERNMENTS SHALL APPROVE, in accordance with the said laws.

"(c) If the owner shall refuse to make the subdivision, this shall be carried out by the local government by means of expropriation proceedings.

"(d) The value of the subdivisions shall be paid in annual amounts sufficient to amortize the principal and interest within a period of not less than twenty years, during which the person acquiring them may not alienate them. The rate of interest shall not exceed 5 per cent. per annum.

"(e) The owner shall be BOUND TO RECEIVE BONDS OF A SPECIAL ISSUE to guarantee the payment of the property expropriated. With this end in view, the Congress shall issue a law authorizing the states to issue bonds to meet their agrarian obligations."

Thus, machinery has been prepared by which the amount of real property owned by any individual or corporation may be limited and the owner may be forced to accept for all excess real estate which he owns prices fixed by the State, in State bonds, which at the present time would certainly not be worth the paper on which they were printed.

The new constitution has proved so successful as an instrumentality for robbery and spoliation that its makers and administrators have been encouraged to amend it so as to extend very greatly its usefulness for acquiring without compensation the property of individuals and corporations. To that end, President Carranza, on December 14, 1918, submitted to the Mexican Congress a proposed amendment to the confiscatory Article 27 of the constitution heretofore referred to. A part of the amendment provides that paragraph 3 of Article 27, as amended, shall read as follows:

> "The nation shall have at all times the right to impose upon private property such limitations as the public interest may demand, as well as the right to regulate the development of such natural resources as are susceptible of appropriation, in order to conserve them and equitably to distribute the public wealth. Establishments or concerns of private ownership, having a general interest, whether belonging to single individuals or to associations or persons, shall not be closed

on account of lockouts, strikes, or any other like reason, without the authority of the executive who shall be empowered to administer them whenever, in his judgment, the suspension or closing of operation may prejudice the interest of society or the demands of the public service. So soon as the difficulties which have brought about governmental administration shall have disappeared, the government shall return to the owners, or their lawful representatives, the establishments that have been intervened, and the net proceeds obtained therefrom during the official administration. Establishments or concerns of public interest shall be deemed to be those having to do with communication by railroad, telegraph, telephone, ocean cable, radio-telegraph, radio-telephone and tramway; places for the sale of drugs and medicines; light companies; undertaking establishments; municipal water and sanitation enterprises; the mining industry, including both the extraction and the treatment of ore; agricultural establishments; cotton mills, and all other concerns which are analogous in the opinion of the executive."

Just how the power that would be granted by this amendment to take over and operate any business or enterprise upon the occurrence of a strike of its employees would be used by the government in power is shown by an incident which transpired in the City of Mexico shortly after the Carranza soldiers took possession of it in 1914. After

appropriating everything that was movable and which could be converted to their own use, the Carrancistas looked around for bigger game. The company operating in the city at that time which received the largest cash income was "The Tramways of Mexico Company" a corporation financed by American, Belgian, Canadian, and English capital. This company was earning and paying a large bond interest and a small dividend upon its stock. It was also paying large monthly amounts to the Necaxa Light and Power Co. (owned by the stockholders of the railroad company) for hydroelectric power.

The governor of the Federal District in which Mexico City is situated, General Heriberto Jara, solved the problem of acquiring the street railroad lines with their great earning power by fomenting a strike of the company's employees. He notified the Mexican employees that he would stand by them in a strike, whereupon they promptly struck for double wages and half time. The officials of the railway resisted their demands, which would have meant immediate bankruptcy for the company. Thereupon Governor Jara, declared the lines a public utility and that as such their operation could not be suspended, and the government took over the lines. This was in October 1914. The government still holds and operates the lines; it pays no bond interest and has paid only a small

part of the total amount due from the railroad company to the Hydroelectric Company for power. Of course the balance of the income has gone to pay the expenses of the Carranza government, which consist largely of salaries to army officers.

Other concerns have been taken over in the same way, and, with the constitution amended as proposed by the president, any business in Mexico which appears to be earning a profit, from running a railroad to farming, can be seized and used by the government, as the street railways in the Federal District were.

Article 33 of the new constitution provides:

> "The executive shall have the exclusive right to expel from the republic forthwith and without judicial process any foreigner whose presence he may deem inexpedient."

The significance of this article is twofold:

First, it is undoubtedly intended to provide against any foreigner remaining in Mexico who might be disposed to make himself disagreeable by opposing any violation of his rights. Should he attempt such a thing, the president has power, from which there is no appeal, to banish him. That power has already been exercised in numerous instances. One use of it that attracted some attention a short time ago occurred when John C.

Royle, correspondent of the Associated Press, an American citizen, made himself *persona non grata* to the government in power in that country by telegraphing out of the country an article of news value which had appeared in one of the newspapers published in Mexico City. This American citizen was arbitrarily loaded upon a passenger coach, a guard was stationed on each platform and he was compelled to remain there until the train arrived at a frontier town, whence he was forced to leave the country.

Second, the fact that such a provision as this could become part of the organic law shows how utterly the party now in power fails to conceive of the most rudimentary principles of democratic government. No people who have any correct conception of democracy could for a moment contemplate the possession of such arbitrary power, from the exercise of which no appeal is provided, by any member of its government.

The pledge regarding religious toleration, contained in the letter of Mr. Arredondo to the Secretary of State already quoted, will be recalled. That pledge was undoubtedly accepted as satisfactory by our Secretary of State and by our President when, following its receipt, he recognized the Carranza power as the *de facto* government of Mexico. This, like all other pledges made by the Carranza party, was violated by the new constitu-

tion. Section II of Article 27 of this document provides.

"The religious institutions, known as churches, irrespective of creed, shall in no case have legal capacity to acquire, hold, or administer real property or loans made upon such real property; *all such real property, or loans, as may be at present held by the said religious institutions, either on their own behalf or through third parties, shall vest in the nation,* and any one shall have the right to denounce properties so held. Presumptive proof shall be sufficient to declare the denunciation well founded. Places of public worship are the property of the nation, as represented by the federal government, which shall determine which of them shall be continued to be devoted to their present purposes. Episcopal residences, rectories, seminaries, orphan asylums, or collegiate establishments of religious institutions, convents or any other buildings built or designed for the administration, propaganda, or teaching of the tenets of any religious creed, shall forthwith vest, as of full right, directly in the nation, to be used exclusively for the public services of the federation of the states, within their respective jurisdictions. All places of public worship which shall later be erected shall be the property of the nation."

In Article 130 of the new constitution, the following appears:

"The state legislatures shall have the exclusive power of determining the maximum number of

ministers of religious creeds according to the needs of each locality.

"*Only a Mexican by birth shall be the minister of any religious creed in Mexico.*

"No minister of religious creeds shall, either in public or private meetings, or in acts of worship or religious propaganda, criticize the fundamental laws of the country, the authorities in particular, or the government in general; *they shall have no vote or be eligible to office, nor shall they be entitled to assemble for political purposes.*"

Compare the foregoing with the declaration in the letter of Mr. Arredondo to our Secretary of State in which he says:

"Therefore, the constitutionalist government will respect everybody's life, property, and religious belief, without other limitation than the preservation of public order and the observance of the institutions in accordance with the laws in force and the constitution of the Republic."

Of course, as the constitution of 1857 was in force in Mexico when this letter was written, and the Carranza party had pledged itself to the support of that constitution, our Secretary of State was justified in accepting this declaration at its face value. In the cities of Mexico to-day are numbers of chapels and churches, erected either by missionaries in their endeavour to serve and elevate the character of the people, or by foreigners for their

own use. Every one of these properties has been confiscated by the terms of the constitution and now belong to the nation. Furthermore, no foreign congregation can gather in a place of worship built with its own money to enjoy the ministration of a preacher of its own race. In all the world no government recognized as even semi-civilized imposes upon religion such burdens as those under which it now rests in that portion of Mexico subject to the new constitution which has resulted as the perfect fruit of the Carranza movement.

In view of the kind of government which the Carranza party has conducted, one can well understand the motive of its representatives for including in their new constitution an inhibition against a minister of the gospel criticizing the laws of the country, the authorities in control, or the manner in which they exercise their power. It would appear, however, that the provision divesting every minister of the gospel of his franchise as a citizen was a gratuitous expression of the hatred of the constitution-makers for all religion.

The action of the Carranza government in inflicting the new constitution upon Mexico, thereby violating all its pledges to this country and to the civilized world, is so thoroughly characteristic and illustrative of the moral degradation of the element now governing the larger part of Mexico as to

justify a short recapitulation of the violated pledges.

First. In the Plan of Guadalupe already set forth, in the letter of Mr. Arredondo to our Secretary of State, and in Carranza's Decree and Declaration dated, respectively, December 12, 1914, and June 11, 1915, appears the unqualified pledge that upon the success of the revolution begun by Carranza he would restore the constitution of 1857 to full force and effect. He violated this promise by assembling a constitutional convention as soon as he obtained control of a major portion of the national territory and causing the convention to enact an entirely new constitution which should take the place of the constitution of 1857.

Second. There appears in both the Decree and the Declaration of General Carranza an unqualified promise that when his revolutionary movement was successful he would first "issue the call for an election of congressmen, fixing, in the call, the day and terms in which the election shall be held." He violated this promise by issuing a call for the election of the members of a constitutional convention and did not call congress together until he had secured the enactment by that convention which, as we have seen, did not represent the Mexican people, of a new constitution which would govern and control the action of the congress.

Third. Both Mr. Arredondo in his letter to

our Secretary of State and General Carranza in both his Decree and Declaration solemnly promise to "afford to foreigners residing in Mexico all the guaranties to which they are entitled according to our laws, *and shall amply protect their lives, their freedom, and the enjoyment of their rights of property, allowing them indemnities for the damage which the revolution may have caused to them.*" As we shall see in succeeding chapters, the Carranza government has confiscated the capital of banks, the public service properties throughout the country, and various other properties of foreigners of the value of hundreds of millions of dollars. Furthermore, although Carranza's administration has been recognized as the *de facto* government of Mexico by this country since October 9, 1915, and as the *de jure* government for a year, no step has been taken to pay the indemnities due foreigners for damage done by the revolutionists, but the damage and destruction of those properties have continued to the present time and are now proceeding.

Fourth. In his Declaration to the nation of June 11, 1915, General Carranza pledged himself that "there shall be no confiscation in connection with the settlement of the agrarian question. This problem shall be solved by an equitable distribution of the land still owned by the government, etc." In violation of this pledge, the new consti-

tution gives to each state and territory the right to fix the maximum area of land which any one individual or corporation may own and to compel the owner to subdivide the remainder and offer it for sale at a price to be fixed by the government or, in default of such action on the part of the owner, gives the state the authority to fix the price at which it will take over the land and compel the owner to accept bonds of the state in payment therefor, which would mean absolute confiscation.

We have seen how completely the Carranza government has violated the pledge of its diplomatic representative, Mr. Arredondo, that "the laws of record which guarantee individual freedom of worship according to everyone's conscience shall be strictly observed."

One of the worst features of the Carranza constitution is that, not having been enacted by a constitutional convention representing either all of the national territory or all the people of the nation, it will be a perpetual and very just incitement to revolution on the ground that it was not adopted by and does not represent the will of the Mexican people. Indeed, that objection has already been urged by all the opposing factions now in arms against the Carranza government as constituting a ground for their revolutionary activities.

The story of the violated pledges made to this

government by the Carranza administration would not be complete without some reference to the chapter which led to the Columbus massacre and subsequently to the killing of American soldiers and officers at Carrizal, which is briefly as follows:

After the United States had recognized the Carranza régime as the *de facto* government of Mexico the latter applied for permission to transport by rail through American territory a military force to attack Villa, for the reason that the famous bandit could not be reached in any other way. The request was granted; and Carranza soldiers, carried upon American railroads through United States territory, invaded that portion of Mexico controlled by Villa's forces and defeated them. This, of course, inspired Villa with the bitterest hatred of America and led to his attempt to secure revenge by raiding Columbus, New Mexico, and killing a number of the citizens and several United States soldiers. Before the President ordered the punitive expedition to invade Mexican territory he arrived at a diplomatic understanding with Carranza which is embodied in a communication from our State Department to the Carranza government under date of March 13, 1916, which included the following:

"The Government of the United States understands that in view of its agreement to this recipro-

cal arrangement proposed by the *de facto* government, the arrangement is now complete and in force and the reciprocal privileges thereunder may accordingly be exercised by either government without further exchange of views."

The President, as Commander-in-Chief of the United States Army, thereupon ordered the punitive expedition to proceed into Mexico, and on the evening of the day on which this order was given he called the newspaper correspondents to the White House and gave to them the statement which was published the next morning to the effect *that the punitive expedition had been ordered under an agreement with the de facto government of Mexico* and was to be used for the single purpose of apprehending the bandit Villa and his followers. There can, of course, be no doubt that this statement was absolutely true and that the invasion was amply justified. Later, however, it became apparent to Carranza that the presence of American troops upon the soil of Mexico was prejudicing him, as the head of the government, with his supporters in whose minds he had sedulously cultivated hatred and distrust of the "gringos." With the purpose of rehabilitating himself in the regard of his supporters, he caused his Secretary of Foreign Relations to address to our State Department the impudent letter, referred to in Chapter IV, in which the claim was made that the presence of American

troops in Mexico was an act of bad faith and was being used by our Government for political purposes; that their presence upon the soil of Mexico constituted a grave wrong to that country and ending with the following threat:

> "The Mexican government understands that in the face of the unwillingness of the American Government to withdraw the above forces, it would be left no other recourse than to procure the defence of its territory by means of arms."

In reply to this letter Secretary Lansing, in his indignant letter of June 20, 1916, quoted in Chapter IV, said:

> "If, on the contrary, the *de facto* government is pleased to ignore this obligation and to believe that, 'in case of a refusal to retire these troops, there is no further recourse than to defend its territory by an appeal to arms,' the Government of the United States would surely be lacking in sincerity and friendship if it did not frankly impress upon the *de facto* government *that the execution of this threat would lead to the gravest consequences.*"

At the same time General Treviño, in command of a force of Mexican troops located near the camp of the American punitive expedition, sent a note to General Pershing, under date of June 16, 1916, as follows:

"I am instructed by First Chief Carranza, to inform you, that any movement of American troops from their present lines to the south, east or west will be considered as an overt act and will be the signal for hostilities."

To this message General Pershing replied, under date of June 18, 1916:

"I have not received any orders to remain stationary or withdraw. If I see fit to send troops in pursuit of bandits to the south, east or west, in keeping with the object of this expedition, I shall do so. If any attack is made on any part of my forces when performing such duties, the entire military strength of the expedition will be used against the attacking forces."

A short time after these threats were exchanged, a force of several hundred Mexican soldiers, armed with machine guns, attacked a small detachment of American cavalry killing several of their number, including two fine young officers. This killing of American soldiers, considered in the light of all the circumstances under which it occurred and the overwhelming force that attacked our men, was virtually assassination by lying in wait, but it was not succeeded by the "serious consequences" mentioned by our Secretary of State, nor was "the entire military strength of the expedition" used against the attacking forces, as

threatened by the general commanding the American punitive expedition. On the contrary, Carranza, apparently appreciating the fact that the wave of indignation at this outrage which swept over this country might force the hand of the Administration and compel the carrying out of the threats of Secretary Lansing and General Pershing, came forward with a proposition to appoint a joint commission to be constituted of three members representing each of the governments to "hold conferences and resolve at once the point regarding the definite withdrawal of the American forces now in Mexico, draft a protocol of agreement regarding the reciprocal crossing of forces, and investigate the origin of the incursions taking place up to date, so as to be able to ascertain responsibility and arrange definitely the pending difficulties or those that may arise between the two countries in the future. * * * *The purpose of the Mexican government is that such conferences shall be held in a spirit of the most frank cordiality and with an ardent desire to reach a satisfactory agreement and one honourable to both countries.*"

To this our acting Secretary of State replied as follows:

"In replying, I have the honour to state that I have laid your Excellency's note before the President, and have received his instructions to inform

your Excellency that the Government of the United States is disposed to accept the proposal of the Mexican Government in the same spirit of cordiality in which it is made. This Government believes and suggests, however, that the powers of the proposed commission should be enlarged so that, if happily a solution satisfactory to both governments of the question set forth in your Excellency's communication may be reached, *the commission may also consider such other matters, the friendly arrangement of which would tend to improve the relations of the two countries.*"

It was stated at the time in the press that the "other matters" which the United States desired the commission to consider were the payment of indemnities to American citizens for damages sustained in the course of revolutionary activities and also an agreement which would protect their property there from future exploitation by the government and people; and the truth of this statement was afterward shown by the course of the negotiations.

The United States was represented on this commission by Secretary of the Interior Lane, Judge Gray of Delaware, and Dr. John R. Mott, three of the ablest men in the country. Shortly after the commission convened in the Griswold Hotel at New London, Connecticut, I visited the hotel and remained for several days. While there, the President came to New London on his yacht. The

commissioners in a body paid their respects to him and later he returned the call and was in conference with the commission at the hotel for some time. On the afternoon of the day of the President's call, a member of the commission said to me:

"The talk of the President to the commission, and especially what he said to the Mexican commissioners about the importance of their country recognizing and living up to its international obligations, was one of the most impressive things that I ever listened to."

The commission remained in session for months and during this time the American commissioners endeavoured, without success, to secure some agreement regarding the recognition and protection of the rights of our citizens in Mexico. Just how this effort was met on the part of the Mexican commissioners is shown by an incident that occurred at a session of the commission. Some time after the commission adjourned without having been able to put a word of agreement in writing, I was told by a friend, who had just arrived from the City of Mexico, that the friends of Mr. Bonillas, a representative of Mexico on the commission, were circulating there with great gusto a story that during a session of the commission one of the American members had delivered what was evidently a very carefully prepared speech for the benefit of the Mexican commissioners in which he dwelt upon

the importance, and the necessity, of Mexico's recognizing her obligations under international law, and concluded with the statement that unless Mexico did recognize and live up to her international obligations she could never hope to have the respect of the other nations of the world, when, quick as a flash, came from Mr. Bonillas on the other side of the table:

"Then the other nations of the world can go to hell!"

Upon meeting one of the American members of the commission, afterward I told him of this story and asked if anything of the sort had occurred. The answer was:

"The incident occurred exactly as you have related it."

"Don't you believe that before the Mexican commissioners left the City of Mexico they were instructed by Carranza to make no commitments whatever regarding the protection of American-owned property in Mexico, because he had in mind at that very time the confiscatory constitution which was subsequently enacted at Queretero?" I asked.

"I am absolutely certain of it," was the reply.

Undoubtedly, this attitude of Mr. Bonillas toward his country's international obligations showed him to be so worthy a member of the Carranza government as to suggest his supreme fitness

to represent it diplomatically at the capital of the nation whose rights under international law it had violated and proposed to continue to violate. So the climax of the exhibition of boorish manners which Mr. Bonillas's friends related with so much pride is found in the fact that he was later appointed ambassador to Washington and, in pursuance of our policy of "patience" with his government, was, of course, accepted as *persona grata* in that capacity. With such a spirit inspiring the Mexican members of the joint commission it is, of course, no subject of surprise that its sessions, extending over several months, should have resulted in exactly nothing.

But, in the meanwhile, the appointment of the commission and its prolonged sessions had acted as a sedative, giving time for cooling the burning indignation of the American people over the murder of our soldiers, which undoubtedly was the result desired by Carranza when he suggested its formation. It also marked another of the countless instances of betrayal of the American Government in its efforts to meet and adjust our differences with Mexico by the peaceful means of diplomacy rather than by the exercise of force.

In all the diplomatic negotiations with Germany, and the shameful violations of her diplomatic pledges to this country which led to the world war, there was nothing which for infamous and immoral

violation of diplomatic pledges compares with the experience which the United States has had with the Carranza administration since it was recognized as the *de facto* government of Mexico. In view of the fact that Germany's breach of diplomatic agreements with this country rightly resulted in a declaration of war, one can hardly understand why the Carranza régime's shameful violations of its diplomatic promises to, and agreements with, us should have been rewarded by recognition as the *de jure* government of the country which it was misgoverning in so terrible a way.

Long before the infamous chapter of violated diplomatic agreements was written by Carranza we had had similar experiences with the Latin Mexicans who have always controllèd that country which showed their utter lack of diplomatic honour. A history of Mexico says:

> "Almost from the commencement of the Mexican republic, outrages on the persons and property of American citizens have been committed and redress has always been either positively refused, or so delayed that both there and in the United States the idea became current that such violations of the laws of nations were to be overlooked and unpunished.
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> "This course on the part of Mexico was especially disgraceful, as the United States had been the first nation to recognize her separate existence,

and American citizens had fought well in more than one of the battles of her revolution. * * *

"This state of things was endured patiently by the Government and people of this country, because both the one and the other were unwilling to add to the burdens of Mexico, and hoped that a calmer day would break over the sister republic, and a season of peace at home enable her to attend to her foreign obligations.

"On the 5th of April, 1831, a treaty of amity and navigation was concluded between the republics; but almost before the ink on the parchment was dry, fresh outrages were perpetrated, so that within six years after that date, General Jackson, in a message to Congress, declared that they had become intolerable, and that the honour of the United States required that Mexico should be taught to respect our flag.

"He declared that war should not be used as a remedy 'by just and generous nations confiding in their strength for injuries committed, if it can be honourably avoided'; and added, 'it has occurred to me that, considering the present embarrassed condition of that country, we should act with both wisdom and moderation, by giving to Mexico one more opportunity to atone for the past, before we take redress into our own hands. To avoid all misconception on the part of Mexico, as well as to protect our national character from reproach, this opportunity should be given with the avowed design and full preparation to take immediate satisfaction, if it should not be obtained on a repetition of the demand for it. To this end I recommend that an act be passed authoriz-

ing reprisals, and the use of the naval force of the United States, by the executive, against Mexico, to enforce them in the event of a refusal by the Mexican government to come to an amicable adjustment of the matters in controversy between us, upon another demand thereof, made from on board of one of our vessels of war on the coast of Mexico'."

Congress granted the authority to President Jackson which he had requested to settle our differences with Mexico. When that nation found that our Government was in earnest and came to fear the use of force, it suggested the formation of a joint commission, as Carranza did under similar circumstances. The commission was appointed, and the history of its dealings is so much an antitype of the record made by the joint commission appointed at the suggestion of the Carranza government that it appears to justify the following additional quotation from the historian referred to:

"On the 11th of April, 1839, a joint commission was appointed, which, however, was not organized until August 11, 1840. The powers of the commission by the act creating it, terminated in February, 1842, and Mr. Polk, in his last annual message, thus characterizes its conduct:

"'Four of the eighteen months were consumed in preliminary discussions on frivolous and dilatory points raised by the Mexican commissioners; and it was not until the month of December, 1840,

that they commenced the examination of the claims of our citizens upon Mexico. Fourteen months only remained to examine and decide upon these numerous and complicated cases. In the month of February, 1842, the term of the commission expired, leaving many claims undisposed of for want of time. The claims which were allowed by the board, and by the umpire authorized by the convention to decide in case of disagreement between the Mexican and American commissioners, amounted to two million twenty-six thousand one hundred and thirty-nine dollars and sixty-eight cents. There were pending before the umpire when the commission expired additional claims which had been examined and awarded by the American commissioners, and had not been allowed by the Mexican commissioners, amounting to nine hundred and twenty-eight thousand six hundred and twenty-seven dollars and eight cents, upon which he did not decide, alleging that his authority had ceased with the termination of the joint commission. Besides these claims, there were others of American citizens, amounting to three million three hundred and thirty-six thousand eight hundred and thirty-seven dollars and five cents, which had been submitted to the board, and upon which they had not time to decide before their final adjournment.

"'The sum of two million twenty-six thousand one hundred and thirty-nine dollars and sixty-eight cents, which had been awarded to the claimants, was a liquidated and ascertained debt due by Mexico, about which there could be no dispute, and which she was bound to pay according to the

terms of the convention. Soon after the final awards for this amount had been made, the Mexican Government asked for a postponement of the time of making the payment at the time stipulated.

"'In the spirit of forbearing kindness toward a sister republic, which Mexico has so long abused, the United States promptly complied with her request. A second convention was accordingly concluded between the two governments on the 30th of January, 1843, which upon its face declares that "this new arrangement is entered into for the accommodation of Mexico." By the terms of this convention, all the interest due on the awards which had been made in favour of the claimants under the convention of the 11th of April, 1839, was to be paid to them on the 30th of April, 1843, and the "principal of the said awards, and the interest accruing thereon," was stipulated to "be paid in five years, in equal instalments every three months." Notwithstanding this new convention was entered into at the request of Mexico, and for the purpose of relieving her from embarrassment, the claimants have only received the interest due on the 30th of April, 1843, and three of the twenty instalments.

"'Although the payment of the sum thus liquidated, and confessedly due by Mexico to our citizens as indemnity for acknowledged acts of outrage and wrong, *was secured by treaty, the obligations of which are ever held sacred by all just nations*, yet Mexico has violated this solemn engagement by failing and refusing to make the payment. The two instalments due in April and July, 1844, under the peculiar circumstances connected with them,

have been assumed by the United States and discharged to the claimants, but they are still due by Mexico. But this is not all of which we have just cause of complaint. To provide a remedy for the claimants whose cases were not decided by the joint commission under the convention of April the 11th, 1839, it was expressly stipulated by the sixth article of the convention of the 30th of January, 1843, that 'a new convention be entered into for the settlement of all claims of the Government and citizens of the United States against the republic of Mexico which were not finally decided by the late commission, which met in the city of Washington, and of all claims of the government and citizens of Mexico against the United States.

"'In conformity with this stipulation, a third convention was concluded and signed at the City of Mexico on the 20th of November, 1843, by the plenipotentiaries of the two governments, by which provision was made for ascertaining and paying these claims. In January, 1844, this convention was ratified by the Senate of the United States with two amendments, which were manifestly reasonable in their character. Upon a reference to the amendments proposed to the government of Mexico, the same evasions, difficulties, and delays were interposed which have so long marked the policy of that government toward the United States. It has not even yet decided whether it would or would not accede to them, although the subject has been repeatedly pressed upon its consideration.'

"By failing to carry out the stipulations of this last convention, Mexico again outraged the Government of the United States."

We see from the foregoing that President Wilson, in his dealings with the present government in Mexico, has met with the same experience that several other chief executives of our country have had. President Wilson has spoken of his efforts to show "patience" in his dealings with the present government of Mexico, and surely it has been amply exhibited in condoning the most outrageous violations of rights ever committed by the people and government of one country against the people and government of another.

Our experience with Mexico, begun nearly a hundred years ago and continuing until it culminated in war, proved that there was a limit to our forbearance. For some time after the close of the Mexican War, the rights of American citizens were respected by the Mexicans. But it did not take long for a people so prone to ignoring and violating the rights of others to forget the lessons of the war and again begin the violation of the rights of American citizens both along the border and in Mexico. The persistent aggressions upon our citizens along the border resulted in the organization by the state of Texas of a force which afterward became famous under the name of "Texas Rangers," which was used to afford to the citizens of that state the protection which they did not get from the soldiers of the nation. Finally conditions became so bad as to provoke from Secretary of

State Evarts in 1878 a communication to the Mexican Government in which he said:

> "The first duty of a government is to protect life and property. This is a paramount of ligation. For this governments are instituted, and governments neglecting or failing to perform it become worse than useless. This duty the Government of the United States has determined to perform to the extent of its power toward its citizens on the border. It is not solicitous, it never has been, about the methods or ways in which that protection shall be accomplished, whether by formal treaty stipulation, or by informal convention; whether by the action of judicial tribunals, or whether by that of military forces. Protection, in fact, to American lives and property is the sole point upon which the United States are tenacious."

This unmistakable intimation that our Government proposed thereafter to live up to its duty, as thus defined, in its dealing with Mexico moved Diaz to take steps to prevent the occurrence of further outrages along the border and to provide proper protection for Americans in the interior also. This condition continued throughout the Diaz régime and, apparently, might have been continued had our Government in its dealings with the Mexican revolutionists maintained the position assumed by Secretary Evarts. This, however, was not done. Every effort was made to avoid

any clash between Mexican and American forces. Our soldiers and civilians in border towns were killed by bullets from contesting factions in Mexico but our armed forces were forbidden to return the shots. Eighteen American citizens were killed in El Paso, about a score of soldiers and civilians at Naco, and numbers at other points.

No Mexican can understand or appreciate the sort of forbearance with which our Government under both Republican and Democratic administrations has treated the invasion of the rights of our citizens on the border. Instead of interpreting it as an exercise of patience and consideration for the Mexican people, they have regarded it as a manifestation of cowardice and it has merely encouraged them to further invasions of our rights. Shortly after the killing of our soldiers at Carrizal and because it was not followed by the punishment of those who were guilty of that crime, a prominent paper in an interior Mexican city published an article in which it was said that the experience at Carrizal showed how easily a Mexican army could march through American territory to Washington, and dwelt with some gusto upon the wealth of loot that would reward such an expedition.

As a result of the course which our Government had adopted for some time after it recognized the Carranza régime as the *de facto* government of

Mexico, conditions along the border became as bad as, or worse than they were during the pre-Diaz period. Just how bad they were is shown in the letter of Secretary Lansing quoted in Chapter IV. They finally became so intolerable and resulted in the loss of so many American lives and the destruction of so much American property at the hands of invading Mexican bandits that in April, 1918, two hundred and fifty owners of ranches along the Texas border held a meeting at Van Horn in that state and spent several days discussing measures to be taken for the protection of their homes, families, and property. Later, our Government seems to have changed its policy and to-day along the border shot for shot is exchanged whenever a bullet comes across the line. This has resulted in a distinct decrease in such offenses.

In view of the result that has been achieved by the policy of patience maintained toward Mexico since the beginning of revolutionary activities the query is suggested: Would our officials in Washington have maintained such a policy in dealing with the lawless elements represented by the Carranza government at the expense of our citizens, had they known of the results of the same policy adopted seventy-five years ago and followed for a number of years, as set forth in the foregoing quotations from the messages of Presidents Jackson and Polk?

History shows that throughout the whole career of Mexico as an independent nation except during the Diaz period, the Latin-Mexican element responsible for its government has never failed to attempt to violate any international agreement or obligation when it thought its interests would be served by such a course. The history of our patience and forbearance before the Mexican War reads like the story of the dealings between our Government and Mexico from the period in President Taft's administration, when revolutionary activities began, to the present time. The only difference is that we have secured even less satisfaction as the result of our policy of "patience" than was obtained previous to the Mexican War. In the meanwhile, these experiments with the lawless, dishonest, and criminal element represented by the Latin-Mexican governing class, have been paid for by the lives of hundreds of American citizens and the destruction of hundreds of millions of dollars' worth of American property.

Previous to the thirty-four years of orderly government enforced by Diaz few Americans resided in Mexico and little American capital had been invested there. But, encouraged by the law and order maintained by the Diaz government and by its invitations to invest in that country, our people had gone into Mexico in considerable numbers. It is estimated that at the beginning

of the revolutionary period in 1910 at least forty thousand Americans were making their homes there. Americans had invested their lives and hundreds of millions of dollars of their capital in enterprises which, while profitable to themselves, were of enormous economic value to the country with which they had cast their fortunes.

These thousands of Americans and hundreds of millions of their property are the counters with which the game of "patience" has been played with Mexico by our Government for seven years. And, if one may continue the simile, our Government has been playing a game with the cards marked against it, for we have practised the diplomacy of an honest, moral people, while the Mexicans have shown that disregard for every diplomatic agreement and every obligation under international law which should have been expected from the Latin-Mexican element, which has earned the reputation of being the most congenitally dishonest and immoral race in the world to-day. This would appear to be strong language were it not so plainly justified by the history of nearly a hundred years. I believe that in what follows I shall amply establish its truth and justice.

CHAPTER III

Character of Foreign Investments in Mexico, Particularly Those of Americans—Relation of These Investments to the Economic Condition of the Country—Dealings Between Foreign Investors and the Mexican Government

ABOUT the end of Diaz's long administration Marion Letcher, American Consul at Chihuahua, compiled a statement which was filed in the State Department at Washington showing the total wealth of Mexico to be $2,434,241,422; of which Americans owned $1,057,770,000; English, $321,302,800; French, $143,446,000; all other foreigners, $118,535,380; Mexicans, $792,187,242. Senator Fall, of New Mexico, who is well informed on Mexican affairs, asserts that the correct figures for English investments are more than double those given by Consul Letcher; and that the figures for the Americans should also be largely increased. However this may be, the Consul's compilation will at least serve to give an idea of the relative importance of foreign capital in developing the resources of Mexico. The fact is that foreigners have developed Mexico; have built its railroads, opened its mines, con-

structed and operated its factories, opened up its oil wells, introduced modern machinery and implements, and have given employment to practically all the native labour in the country, except that engaged at from 15 to 50 cents a day on the plantations, farms, or ranches.

The point of present interest is that these large foreign investments, and their influence in developing natural resources and affording a livelihood to all who were willing to work, are paraded as one of the fundamental grievances of the Carrancistas to redress which they have confiscated all the property that could be converted into cash without too much effort and have greatly damaged or destroyed substantially all the rest. Conscious that such proceedings are not considered exactly good form in the countries whence the investments came, the Carrancistas have expended a good deal of ingenuity in endeavouring to justify, or at least to excuse, their peculiar ideas regarding the rights of property. Or it may be that these endeavours have been prompted less by prickings of conscience than by a fear that if the whole truth were known there might be some inconvenient insistence upon restitution and protection for whatever property is left in accessible shape and for such foreigners as still survive.

The Carrancistas have been particularly zealous in their efforts to win American sympathy. To

this end they have maintained two centres of propaganda in the United States. One, located in Washington, issues a monthly journal and press sheets at frequent intervals describing in roseate terms alleged conditions in Mexico and descanting upon the beneficent effects of Carranza's sway. This material is circulated among members of Congress, Government officials and others supposed to be more or less influential.

Every number of these publications contains numerous manifestations of one of the most prominent vices of the Latin element of Mexico, and that is mendacity. Probably a sufficient example of this characteristic may be found in a statement in one of these publications to the effect that a recent school census taken in Mexico City showed that a larger percentage of children of school age attended the public schools in that city than were attending the public schools of the city of New York. Of course, this statement to any person acquainted with conditions there was palpably false. Its falseness was quickly demonstrated by news from Mexico City, published in the daily papers of this country a short time after the item referred to appeared, to the effect that many of the schools there had been closed because the government found itself unable to pay the salaries of the teachers.

Another centre of Carranza propaganda was

established in New York City shortly after the beginning of the Carranza revolution, by what was called the "Latin-American News Association." In some way unknown my name appears to have been entered upon the mailing list of this association, and I have received numerous pamphlets devoted to various phases of Mexican affairs. In one of these appears the following statement:

> "Mexico has been the happy hunting ground of the adventurer since the days of the Spanish Conquest. Egypt, Morocco, Tunis, South Africa, do not compare with it as a treasure box. Government has always meant merely an organized system of robbery and exploitation. It gave the people nothing, it took everything the people had. It taxed them in the most ruthless ways; it spent the taxes for private purposes and profit. The courts were merely another instrument for enforcing serfdom along with the army."

As we shall see, this statement is entirely true as applied to the Latin masters of the Mexican people and the sort of government which they were accorded by these masters during the first three hundred years of their control. The pamphlet continues:

> "Diaz reduced the process to a scientific system. He termed it 'developing the country.' The concession seekers flocked to Mexico with the coming

of Diaz to power in 1876. He owed them everything, for they made him master of Mexico. They enjoyed thirty-four years of almost uninterrupted freedom until the flight of Diaz to Paris in 1910. . . . He paid his first debts by concessions for the building of two railroad lines from the Texas border to Mexico City. Land was given for the right of way, together with a subsidy of $14,000 per mile on level country and $35,000 per mile in rough country. * * *

"During all these years, the United States was unhappily the bulwark of the exploiting interests. The Mexican people feared American intervention more than anything else and this fear kept them from revolution. And the colossal *grants and subsidies for railroads, mines, oil, gold, silver, copper and land, judiciously distributed, identified the United States' State Department, the Senate, the press, and the people of the United States with Diaz no matter what his outrages might be.*

"The Mexicans want to get back their lands which have been taken from them by bribery or machine guns. And they are doing it. They want to get back their oil wells, gold and silver mines, and the tremendously rich copper deposits of the north, and they are doing it."

The name of the author of the pamphlet is not given, and there is no means of ascertaining the race to which he belongs. It is certain, however, that the paragraphs quoted indicate two of the worst characteristics of the element which has given Mexico bad government for four hundred

years, and these are mendacity and lawless greed. It will be noted that the author of the article does not hesitate to allege that the grants and subsidies given by the Diaz government were successfully used as bribes to influence the State Department, the Senate, the press, and the whole people of the United States. This may be accepted as a fair measure of the truthfulness of the Carranza propaganda with which the country has been flooded. What the writer really meant, although he did not say it, was that *the Mexicans had taken, and propose to continue to take by the strong hand, the property acquired by citizens of the United States and other foreigners in their country.*

It is my purpose to show that *no citizen of the United States, during the Diaz régime, ever acquired, by grant or subsidy, a dollar's worth of oil territory, gold, silver, or copper mines, or land;* and that the railroad subsidies from which American citizens benefited were probably the most moderate ever given for such value as was received by Mexico in the building of her railroads, and were very much less than subsidies granted by our own country for a like purpose. Also, that in the use of the subsidies by the recipients of them a degree of honesty was exhibited which we cannot claim to have been exercised in handling subsidies granted for railroad construction in the United States. As an illustration of the reckless falsehoods which

have been uttered about the dealings of our people with Mexico, and which, alas, have found credence to which they were not entitled among men in responsible positions in our Government, may be cited the history of oil development.

PETROLEUM DEVELOPMENT

The existence of petroleum in what is now the state of Vera Cruz, was known before the Spanish conquest. Asphaltum, produced by the drying on the surface of exudes from these oil deposits, was used before the time of Cortez for making the floors of the Aztec temples. The Latin inhabitants of Mexico knew of the existence of these oil exudes from the time that they first occupied the country. Notwithstanding this fact, and the further fact that since the development of oil in the United States it was known that exudes of this character indicated the presence of petroleum beneath the surface, no citizen of Mexico ever showed the possession of energy and initiative enough to attempt the development of these oil measures. It remained for two Americans, Messrs E. L. Doheny and C. A. Canfield, citizens of Los Angeles, to undertake the development which has added enormously to the economic wealth and welfare of Mexico, and which has conferred a great benefit upon the civilized world. These men, who had made fortunes in petroleum

development in the United States, learned of the existence of the exudes in what is now known as the oil territory of Mexico. They visited this section, which at the time was largely a jungle, and convinced themselves of the existence of subterranean oil measures. These measures were upon lands which were held in private ownership, under titles dating largely from the time of the Spanish conquest, four hundred years before. In their oil developments they of course, were forced to deal with these private owners, inasmuch as Article 10 of the Mining Law of Mexico at that time provided:

> ART. 10. The following substances are the exclusive property of the owner of the land, who may therefore develop and enjoy them, without the formality of claim or special adjudication:
>
> I—Ore bodies of the several varieties of coal.
>
> * * * * * * *
>
> IV—Salts found on the surface, fresh and salt water, whether surface or subterranean, petroleum and gaseous springs, or springs of warm medicinal waters.

Shortly after Diaz came into power he induced the government to adopt the plan of granting for a stated term immunity from import and export tariff taxes upon all material brought into the

country and used in founding any *new* business enterprise, which would be for the direct economic benefit of the nation, and all products of such business that should be shipped out. In this, of course, the nation did nothing further than to-day is being done by probably a hundred enterprising cities in our own country where manufacturing enterprises are attracted by the grant of immunity from local taxes for a certain number of years, or, where the law prohibits such favours being granted by municipal governments, by contributions to the cost of land for factories, and other advantages.

Messrs. Doheny and Canfield went to the government and calling attention to the fact that at that time Mexico had no oil wells and that fuel was one of the great economic needs of the country, announced that they proposed to invest a large sum in endeavouring to develop the petroleum deposits, and asked to be granted a concession which would enable them to conduct their business for a term of years free of national import and export duties. As the law providing for the granting of such a concession required that the enterprise should represent a *new* business of a character not developed, before they could secure the concession for which they asked they were compelled to obtain a certificate from the government of every state in the Mexican Union certifying that no oil development had been made in any such state,

in order to establish the fact that the business which they proposed to conduct would really add a *new business* to the industrial life of Mexico. Having obtained these certificates, they secured a "concession" which granted to the enterprise of developing petroleum, which they proposed to conduct, immunity from all national import and export taxes on any material which they might bring in for use in their business, or any product thereof which they might ship out of the country for a period of ten years. This was the sole advantage ever given Mr. Doheny and his associates by the Mexican Government. Having obtained this concession, they then proceeded to invest several millions of dollars in the purchase of land and clearing it, drilling wells, providing pipe lines, tankage facilities, refineries, vessels for transporting oil, and all the other equipment required for the successful prosecution of the business which eventually added greatly to the economic wealth of Mexico. In order to do this, of course, they staked millions of dollars upon the chance of finding oil in paying quantities.

There is no doubt that, owing to the habit of speaking of work done by Americans in the development of petroleum and other enterprises of that character as "concession," there is a general impression that the lands have been obtained as a gift from the Government, perhaps

with other valuable privileges in addition. Possibly this erroneous impression may be traced in the first place to the translation of the Spanish word "*concesión,*" which means merely a franchise or a permit to do business, as the equivalent of the English word "concession," which means something quite different.

After the discovery of oil in paying quantities by Mr. Doheny and his associates the attention of other large oil interests was attracted to the Mexican field and in due time the Standard Oil Company, the Waters-Pierce Company, and the English interests represented by Lord Cowdray, as well as other less important organizations, secured territory in the oil fields by purchase or lease and commenced the production of petroleum. Not in one instance, however, did any American company secure any part of its oil territory as a grant, gift, or concession from the Mexican Government, although the contrary has been asserted in numberless false-propaganda pamphlets and articles that have been distributed by the Mexican revolutionists in this country.

Much of the oil territory still belongs to Mexican citizens and is being operated by various companies under leases from the land owners, just as hundreds of thousands of acres of oil land belonging to farmers have been operated under leases providing for stipulated royalty payments in the

various oil-producing states of our own country. These Mexican owners of petroleum lands have held meetings at Tampico, and have submitted vigorous protests to the Carranza government against Article 27 of the new constitution, which is being used by the Carranza administration in an attempt to rob them of the contents of their lands which the law has heretofore assured to them; but, as the oil industry is to-day one of the few in that country that are paying and as the Carranza government is constantly in need of money for the use of its dissipated army officers, efforts to consummate the scheme of robbery under the so-called new constitution have by no means been abandoned.

The millions of dollars which American oil producers risked in their enterprises were of enormous economic value to the country. The oil from their wells, and from those developed later by other foreign interests, furnished fuel for the Mexican railroads, a considerable mileage of which was controlled by the government, cheaper and of a better quality than they had ever been able to obtain before. It furnished fuel which resulted in the establishment of gas plants in Mexico City and elsewhere—an economic development of peculiar value, on account of the moderate climate in which gas furnishes the cheapest and best possible fuel for household purposes. These plants have all been ruined by the revolution. The

asphalt residuum from the distillation of the crude oils furnished paving materials, with the result that numerous Mexican cities that had never known a yard of good pavement became the possessors of beautifully paved streets. In addition, it has furnished employment for thousands of Mexican workmen at wages several hundred per cent greater than any that they had ever received from their own countrymen. Furthermore, the "concession" obtained by Mr. Doheny and his associates conferred no immunity from state or municipal taxes.

In entering upon the development of oil in Mexico, these citizens of the United States and other foreigners did nothing more than was done some years ago by a great European corporation, financed by the Rothschilds, known as "The Shell Oil Company" (Royal Dutch), in securing large areas of oil territory in the state of California; the only difference being that production in this territory had been developed as a profitable business before these foreign interests acquired their property, while those Americans who first entered upon oil development in Mexico assumed all the risks of failure which confront every pioneer in a mining venture. The foreign company which has acquired oil properties in California sells some of its products in this country and ships quantities of it to other markets, while all the profits of the

operation, of course, go to the stockholders abroad. Yet, any citizen of the United States who would complain that the Shell Oil Company has done a deadly wrong by acquiring and exploiting oil lands in this country, and should demand therefore, that its property be confiscated, would be regarded as either a lunatic or a criminal. However, the Carranza party finding that foreigners, by their intelligence and enterprise and the investment of millions of dollars, have developed a natural resource into a valuable economic asset, decides that those foreigners have imposed a grievous wrong upon the country which it has attempted to cure by adopting Article 27 of the Constitution of 1917, which provides:

> "In the nation is vested direct ownership of all * * * solid mineral fuels; petroleum and all hydrocarbons—solid, liquid or gaseous."

Under the authority of that article the Carranza government is now attempting to make the petroleum companies pay it "rentals and royalties" for the privilege of taking the oil from lands that have been in the possession of private owners for nearly four hundred years, and were acquired for a price supposed to be full value paid by the foreigners as the first step in creating an enterprise which has benefited the people of Mexico in a

hundred ways. What would the farmers of Pennsylvania, West Virginia, Oklahoma, Texas, and California, upon whose lands oil has been developed, think if the people of their states should adopt constitutions providing that the oil was public property and insist upon collecting the royalty which the private owners of the land have heretofore received?

Of course, no people that is not so congenitally immoral as to be incapable of appreciating the moral character of an act would undertake to perpetrate such a wrong upon the owners of private property as the Carrancistas are endeavouring to inflict upon the owners of oil lands. But it is safe to say, that, so long as the present government feels that it has the power to carry out this scheme of robbery, no protest made by native or foreign landowner will be of any avail.

Our own country has recently instructed its diplomatic representative in Mexico City to make such a protest and it has been done. It would appear that our country is prepared to use force to make that protest effective, to prevent the robbery of American citizens.

RAILROAD SUBSIDIES AND FOREIGN INVESTMENTS IN MEXICAN RAILROADS

Apologists for the confiscatory actions of the government now in power in Mexico have had a great

deal to say about the concessions for building railroads granted to foreigners by Diaz. They have denounced these concessions in unmeasured terms as among the greatest wrongs inflicted upon the Mexican people by that government. These apologists for the acts of the Carranza government in taking possession of the railroads and failing to pay either interest upon their bonds or dividends to stockholders, allege that these roads were originally built at the cost of the public.

In investigating the history of subsidies for railroad construction in Mexico, it is well to bear in mind that prior to the period when the principal concessions were granted, almost all railroads in our own country were the recipients of subsidies for the purpose of defraying a part, or all, of the cost of their construction. This particularly applies to the West where, on account of the country being sparsely settled and recognition of the fact that years might elapse before sufficient business could be developed to make the operation of the railroads profitable, it was understood that no such great public improvement could be made at the entire cost of private investors and that these improvements promised to be of such great value to the nation at large as well as to the sections of the country directly served, as to justify the public in contributing to their construction. It is probably not an over-statement to say that every

county and city in the Middle-Western states, for whose service railroads were constructed, contributed something in the form of subsidies; and, as we shall presently see, the National Government gave enormous sums to the Union Pacific and the Central Pacific companies.

Similar conditions in Mexico produced similar results in railroad construction. But those who now seek to excuse their confiscation of all the great investments made by foreigners before or during the Diaz régime, have sought to charge Diaz and his government with the responsibility for all subsidies granted to Mexican railroads. In point of fact, the encouragement of railroad construction in Mexico by subsidy was entered upon years before Diaz came into power in 1876, and was an important part of the efforts made by the great patriot, Juarez, to improve native land and elevate the condition of his countrymen. A history of Mexico says:

> "While it would be difficult to determine exactly the date at which Mexico emerged from her condition of insularity and took her place among the nations of the world, it would not come amiss to mention that under the wise administration of Señor Lerdo she certainly laid the foundation for her coming prosperity. That marvel of engineering skill, the Mexican Railroad, which had been in progress of construction sixteen years, was

formally opened in January, 1873, and the coast of Mexico at Vera Cruz was connected with its capital. By a decree of Congress in 1874 [two years before Diaz came into power] a concession was granted for another line northwardly from the City of Mexico, which was the initial step taken in the great movement connecting the capital with the chief cities of the United States. Roads and telegraph lines were now projected in all directions; commerce, both external and internal, developed with great rapidity, and in the fiscal year of 1878 the exports from Vera Cruz alone amounted to more than $16,000,000."

It may be noted in passing that the line referred to by the historian when he says: "By decree of Congress in 1874 a concession was granted for another line northwardly from the City of Mexico," is one of the lines named in a Carranza propaganda pamphlet which alleges that Diaz "paid his first debts by concessions for the building of two railroad lines from the Texas border to Mexico City." The fact is that the concession for this line was granted under the administration of President Lerdo de Tejada, two years before Diaz came into power.

The most important railroad concession and subsidy granted by the Diaz government was for the line which subsequently became known as the Mexican Central and this on account of its importance and extent, may be taken as being fairly

illustrative of that character of all. It is of particular interest to Americans for the reason that the company which built the railroad was organized by Boston capitalists. For these reasons, the law embodying this concession, given in Appendix I, will repay careful study by those who are desirous of knowing the exact truth about Mexican railroad concessions and subsidies about which so much has been said. It will be noted, as among the most important provisions of this law, that the concession provides:

First: that at the end of ninety-nine years the road shall revert to the nation free of all encumbrances.

Second: that the mails were to be carried free by the proposed railroad during the life of the concession, to wit: ninety-nine years.

Third: that maximum tariffs for the carrying of freight and passengers are named in the concession which, by comparison with the rates charged for years by our own Western railroads constructed with the aid of government subsidies, will be found to have been very much lower than the latter.

Fourth: the government gave to the company a subsidy of $9,500 for each kilometre of constructed road, equalling $15,311 per mile, payment of which should not commence until after the completion of the first one hundred and fifty kilometres.

In order that a comparison may be made of the terms upon which the respective governments aided railroad construction in Mexico and in our own country, the grants by the U. S. Government to the Union Pacific Company and the Central Pacific Company, are set forth in Appendix II. By this it will be seen that in addition to an outright gift to the companies of 12,800 acres of government land per mile of railroad constructed, a subsidy was granted in the form of a cash loan "equal to $16,000 per mile for that portion of the line between the Missouri River and the base of the Rocky Mountains; $48,000 per mile for a distance of one hundred and fifty miles through the mountain range; $32,000 per mile for the distance intermediate between the Rocky Mountains and the Sierra Nevada range; $48,000 per mile for the distance of one hundred and fifty miles through the Sierra Nevadas."

The original act provided that the cash subsidy should be a first mortgage upon the road, but by a subsequent amendment it was made a second mortgage, the company being authorized to issue its own bonds to an amount equal to the Government's issue as a first mortgage on the lines. It will be noted that there is no provision for any reversionary interest of the Government in these lines, for which the aid afforded was much greater than any subsidy ever granted by the Mexican

Government and no provision was made for carrying mails free. There was a provision for the transportation of United States troops and this stipulation, it is said, was inserted because it was recognized that probably United States troops would have to be moved over the lines for their protection against Indians. Even this small benefit to the Government was afterward reduced by a ruling that the stipulation regarding the transportation of troops meant only that there should be no charges for trackage, but did not oblige the company to furnish cars free. It is also worth while for those who appear to feel that Mexico should be rescued from the consequences of improvident railroad subsidies granted, to consider the manner in which the subsidies were dealt with by the interests building the Mexican and the American railroads respectively.

Nothing with which foreigners have been connected in Mexico has been more bitterly denounced by Carranza propagandists than the railroads built by American investors with the aid of subsidies. One of the bitterest and most mendacious of these denunciations appears in a somewhat portentous volume by DeLara and Pinchon published in New York under the title of "The Mexican People: Their Struggle for Freedom," a few months after the Carranza revolution began. In a chapter entitled "The Railways" are some statements

which we quote as examples of the kind of propaganda circulated by the Carrancistas. The italics appear as in the book:

> "Not a dollar of American capital has been expended anywhere or at any time in the building of Mexican railroads. *They were built entirely by Mexican capital.* And what is more, they were so immensely oversubsidized, that in many cases they were built *solely for the sake of the subsidy,* and in such a fashion as to be useless for transportation: *e.g.,* the lines from El Paso and Laredo to Mexico City. It is true that these railroad stocks were the playthings of American speculators; and that such railroads as Mexico possesses have come into a bastard existence as a result of the cupidity and lawlessness of American promotors and stock gamblers, but this indicates the limit of America's service to Mexico in this respect* * * *
>
> "These much-lauded railroads and government enterprises cost the nation unnumbered millions procured by the most extortionate taxation. Not a dollar of foreign capital was used in financing them. They were wrought out by the toil of the common people and financed by the money of the common people. Even so, for every million dollars expended in actual construction, at least three million dollars was wasted in bribery and embezzlement."

That part of the above quotation which says: "They were built solely for the sake of the subsidy, in such fashion as to be useless for transportation:

e.g. the lines from El Paso and Laredo to Mexico City," refers to the Mexican Central Railroad which was built under a subsidy of $15,311 per mile granted by the law appearing as Appendix I. If, as stated in the foregoing quotation, "for every million dollars expended in actual construction, at least three million dollars was wasted in bribery and embezzlement," then the portion of the subsidy granted for the Mexican Central Railroad actually applied to its construction was $3,828 per mile. A little analysis will show how much credence this statement deserves.

If the line was laid with 75-pound steel rails, 132 tons per mile would have been required which at $28 a ton, the standard price for years, would have amounted to $3,696, f. o. b. the mills at Pittsburgh or Chicago. This would leave a balance of $132 to pay for such essentials as angle bars, bolts, spikes, and ties, not to mention such details as freight charges for all material for long distances, grading, track-laying, and equipping the line. It does seem doubtful that so much could be done for $132 a mile, even in Mexico.

As a matter of fact, the Mexican Central runs for several hundred miles through a desert in which construction was exceptionally expensive because, not merely all material, but food for the men, forage for the animals, and even drinking water for both had to be transported long distances at great

expense. The desert terrain between the Rocky Mountains and the Sierras, through which the Central Pacific was constructed is similar to that through which the Mexican Central was built. A reference to Appendix II will show that in addition to a subsidy of 12,800 acres of land per mile a cost of $64,000 per mile was provided for, one-half being loaned by the Government on a second mortgage, the other half to be raised by the company on its first mortgage bonds. While the cost of constructing the Central Pacific was excessive, beyond question, the excess could hardly have been near 50 per cent. of the total cost. Yet we are asked by these champions of the Carranza revolution to believe that the "American speculators" who constructed the Mexican Central Railroad, accomplished that expensive work for a cost of $3,828 per mile, and that they did a great wrong to Mexico by accepting the government subsidy of $15,311 per mile, although it carried with it the obligation to transport mails free of charge for ninety-nine years and the provision that at the end of that period the road should become the property of the government free of all liens or encumbrances without the payment of additional compensation.

To say that the statement above quoted, that "not a dollar of foreign capital was used in financing" these subsidized railroads is false, would

hardly express the reckless disregard for truth which characterizes the writers of the book referred to as well as every other Carrancista propagandist who has endeavoured to poison the minds of the American people with their outgivings. Furthermore, the Mexican subsidized railroads, after their construction, were managed with such honesty that, some years before the end of the Diaz administration, it became evident that it would be a good investment for the Mexican Government to purchase the controlling interest in the stock of the Mexican Central Railroad, which the writer quoted says "was built solely for the sake of the subsidy and in such fashion as to be useless for transportation." This purchase was made by the Diaz government and its wisdom as a business venture is shown by the fact that when Diaz went out of power the net earnings of the Mexican Central Railroad were sufficient to pay interest on all of its indebtedness and to pay an annual dividend of 5 per cent. upon its preferred stock. The road never found it necessary to go through a receivership, nor was its operation ever crippled by financial reverses. Compare this with the record made by the companies constructing the Union and Central Pacific lines.

Notwithstanding the enormous land and bond subsidies granted the Union Pacific Railroad, its promoters were so greedy that they attempted

to secure additional advantages through national legislation. This attempt resulted in what has come to be known as the Crédit Mobilier scandal. An investigation by Congress disclosed a shameful scandal involving the bribing of a number of its members. The inquiry culminated in a report recommending the impeachment of two Congressmen. In addition to this, so improvidently, recklessly, and dishonestly were the finances of the Union Pacific managed that it passed through two receiverships before it finally reached a position of stable financial organization.

While the Central Pacific was never permitted by its promoters to reach a condition of bankruptcy, it is a well-known fact that the four men who promoted it organized the "Contract and Finance Company," which acted as an intermediary between the railroad company and the Government, doing the construction work, and collecting the cash subsidy. When the road was finished and put into operation, it was found that the organizers of this construction company, who were men of very moderate means when they undertook the enterprise, had all become millionaires. This fact, together with the scandals which were unearthed by government investigation of the Union Pacific, suggested similar investigation of the Central Pacific construction. When this investigation took place and it became necessary

to examine the books of the "Contract and Finance Company" in order to ascertain the actual cost of the construction work upon which the government subsidies had been drawn it was found that they had all been destroyed.

The fact is that there can be no comparison between the care shown for the interests of the Mexican Government in the handling of aid to railroad construction and the utter lack of care exhibited by our own Government under similar circumstances.

In order to justify their dishonest invasion of the rights of foreigners who made investments in Mexico previous to and during the Diaz period, the Carrancistas have assumed the attitude that foreigners who financed the construction of railroads, either by buying the bonds of the nation issued to secure the cash subsidies granted or by supplying the additional cost committed a great wrong against their country. Certainly no one will undertake to argue that the railroads are not a valuable economic asset to the country. Even under the wretched and dishonest management that they have had at the hands of the Carrancista government, they have contributed greatly to the welfare of Mexico. It is very certain that unless these roads had been constructed by foreign capital they would not have been built at all, for the government was unable to pay the subsidies save by

selling bonds to foreigners, and the subsidies granted did not anything like defray the cost of constructing and equipping them.

A country as wealthy as the United States has been for many years was not able to finance the construction of her railroads. At one time, in addition to holding the major portion of the bond issues of our principal railroads, foreign investors, as shown by Wm. G. Ripley in his work on "Railroad Finance and Organization," in the period from 1890 to 1896 held the absolute majority of the stock issues in at least five of them; namely, Illinois Central, 65 per cent.; Pennsylvania, 52 per cent.; Louisville and Nashville, 75 per cent.; New York, Ontario and Western, 58 per cent.; Reading, 52 per cent. At the present time, on account of the great prosperity which the industry and thrift of the people of our country have produced, the foreign holdings of the stocks and bonds of American railroads have been almost entirely wiped out by the purchase of these securities by American investors.

The difference between this country and Mexico under her Latin-Mexican masters in their treatment of foreign investors is well illustrated in the matter of investments in railroads in the two countries. The Americans welcomed foreign capital in the development of great business enterprises and depended upon their own industry and thrift eventually to acquire the properties by purchasing

the securities. To-day almost every dollar of foreign capital that was invested in our railroads has been returned and the bonds and stocks which represent this capital are owned by our people. As a result, we were able to finance the billions of expenditure for the war by floating national bonds at a lower rate of interest than any other country involved was able to secure.

The controlling elements in Mexico have found what they conceive to be a much easier method of balancing their account with foreign investors by confiscating the railroads and refusing to pay a dollar upon the principal or interest of the securities issued for their construction. The result is that to-day Mexico's credit is so poor that although she has been desperately endeavouring to raise money in the markets of the world for the last three years she has been unable to secure one cent from foreign investors to meet the needs of her government. Do not these contrasting conditions suggest to those of our own citizens, among whom are some of our government officials, who have been encouraging, or at least palliating and excusing, the actions of the Carranza government that they are really doing a deadly injury to that country?

FOREIGN INVESTMENTS IN MEXICAN MINES

The supporters of the present order, or more correctly disorder, now existing in Mexico, in their

efforts to win the sympathy of the world, dwell with much insistence upon the allegation that foreigners, particularly Americans, have exploited, to their benefit and to the injury of the country, its mineral resources, more especially gold, silver, and copper.

While it is true that considerable foreign capital, mostly American, during the past seventy-five years and particularly during the Diaz régime when law and order reigned, was invested in mining, history shows that the enterprises carried on by foreigners really resulted in taking very little from the mineral resources of the country that was available and valuable to its inhabitants.

Mexico, when conquered by the Spaniards, was enormously rich in gold and silver, and for the first three hundred years of Spanish control it contributed immense amounts of those metals to Spain. During this time, the Mexicans became excellent prospectors, and were so successful in discovering the rich deposits of gold and silver that during the last hundred years few new deposits have been found that were sufficiently rich to pay for working by the primitive methods employed by the natives. Furthermore, during the period when foreigners became interested in Mexican mining, it was impossible for Diaz, or any other head of the government, to grant any special privileges, or rights, to favoured beneficiaries, for

the reason that a very carefully thought-out and excellent code of mining laws prescribed, as do those of the United States, the methods by which mineral deposits might be secured and worked. A study of the history of precious-metal mining in Mexico during the past three quarters of a century will show that the principal enterprises conducted by foreigners were of three kinds and usually involved securing the mines from private owners.

First: the reopening of mines upon which work had ceased because the Mexican miners had carried the workings down to a depth at which it became impossible with their primitive equipment to control the water, and they had been driven out. The foreigners, by applying modern high-powered pumps, were enabled to unwater these mines and to follow the deposits to greater depths than could ever have been reached by the Mexicans.

Second: the handling of large deposits of low-grade ores which by the primitive methods of the Mexicans could never have been treated with profit, but which, by the application of modern improvements, permitting large quantities of ore to be handled cheaply, enabled the foreigner to make a profit.

Third: in re-working great dumps of material that had once been worked by Mexican miners whose primitive methods failed to extract all the values. From these old dumps the foreigner with

his modern methods and machinery was able to extract a profit.

During the first three hundred years following the conquest of Mexico, very much the larger part of the richest deposits of gold and silver had been discovered and exhausted to the extent that the Spanish methods of mining permitted. When the revolution against Spain began, mining was nothing like as important as it had been; and, of course, the disturbed conditions during the eleven-year contest for freedom further reduced that industry. Little was done to revive it until sometime after 1830 when, encouraged by the hope that the country would have a government of some stability, the English were first among foreigners to begin taking an active part in mining. A brief résumé of the development of the principal silver- and gold-mining centres in Mexico follows.

SILVER MINES

Pachuca, State of Hidalgo. This camp was discovered by the Spaniards and operated by them for many years. In this operation, most of the deposit available under Spanish methods of mining was exhausted and that fact, together with the unsettled conditions produced by the revolution beginning in 1810, resulted in a suspension of mining activity in this centre. About 1830 English capital became interested in these mines and by

installing steam-driven Cornish pumps, the new owners were able to operate them with considerable success until work was greatly curtailed in 1893 by the drop in the price of silver. Later, American capital joined with British in working these mines and the American engineers, by introducing the cyanide process of treating the ores, and cheap power for operating the pumps and mining machinery from hydroelectric developments in the vicinity, again brought prosperity to this section, so that shortly before the revolution of 1910, Pachuca production of pure metallic silver was about 1.5 tons per day, making it the leading producer of silver in Mexico and one of the most important in the world. But this result was achieved with low-grade ores which could never have been mined or reduced at a profit by Mexican methods.

Guanajuato, State of Guanajuato. The history of this section corresponds closely to that of Pachuca, although the ores are of a somewhat lower grade. After work under Mexican methods of mining had been suspended for a period, Americans undertook to apply modern processes of mining and ore-reduction and, in doing so, invested large sums. They applied cheap electric power, supplied by the Central Mexico Light and Power Company owned by capitalists of Colorado Springs, Colorado. Much of the ore treated came

from the old dumps in which it had been left owing to the inefficient methods of the Mexicans, and much other ore was obtained from the workings where it had been permitted to remain as being of a grade too low to be treated by the old methods.

At one time there were employed in this camp about 12,000 Mexican miners and mill men. Some of the money paid in wages to these men reached the farmers in the vicinity who raised crops to feed the mining population, and produced a condition of great local agricultural prosperity. This work was suspended when our Government ordered all Americans to leave Mexico and return to the United States, and these thousands of Mexican labourers who were making a good living and the Mexican farmers, who were furnishing the food for the labourers, have been the greatest sufferers.

Sierra Mojada, State of Coahuila. This important producer of lead silver ores is located in a waterless desert and, contrary to the general rule, was not discovered by the Spaniards. Work upon it was begun in 1880 by a number of Mexican miners and mining companies. The work proceeded with indifferent results due to inefficient smelting methods and lack of transportation until 1890 when American capital built a railroad eighty-five miles in length connecting the camp with the main line of the Mexican Central Railway, thus affording an outlet for the ores which, because of

their character, had to be treated in modern smelting furnaces in order to recover the silver they contained. At first the ores were shipped to Argentine, Kansas, later to El Paso, Texas, and still later to smelters in San Luis Potosi and Aguas Calientes, also built and operated by Americans. At one time prior to the present revolution, the camp of Sierra Mojada produced ore at the rate of about 1,000 tons per day, from which one ton of pure silver was extracted. A number of the more important mines remained in the hands of their original Mexican owners, but were operated under the direction of American mining engineers. The camp is now entirely inactive due to the precarious railway transportation and because of its exposed situation inviting bandit raids. In the meantime, of course, thousands of Mexican miners, who were earning good livings, have been thrown out of employment and have really been the greatest sufferers by this suspension of an important industry carried on by American capital and enterprise.

Santa Eulalia, State of Chihuahua. This important camp on the outskirts of the city of Chihuahua was discovered and worked by the Spaniards at an early date, but the output was never very important, because the operators tried to smelt the lead silver ores in antiquated furnaces made of stone and adobe. Production here did not reach full tide until American capital erected

large smelting works at Chihuahua which enabled the mines to produce profitably a large tonnage of relatively low-grade ore. In point of tonnage, this camp surpassed Sierra Mojada just before the present revolution, but a portion of the output of the mines was zinc ore which was shipped to Kansas and Oklahoma to be treated by modern methods, aided by cheap fuel.

Parral, State of Chihuahua. This had been one of the old bonanza camps of the Spaniards, who, after extracting the high-grade and easily worked ores, abandoned it as unprofitable. Activities were not resumed until Boston capitalists extended a branch of the Mexican Central Railroad to Parral and Santa Barbara in 1900. Following this there was a period of great activity involving the investment of many millions of American capital in the development of mining properties and the erection of large cyanide and concentrating mills. Perhaps half of these yielded favourable results, although on the whole the camp has never returned more than a small fraction of the money spent by the Americans. The camp was not supplied with cheap hydroelectric power, although a Canadian company had about completed a large plant for this purpose just before operations had to be suspended on account of the last revolution. One of the best-known mines of the camp was the Palmilla, owned by a native Mexican named Pedro

Alvarado. This mine was unusually rich, and for a time Alvarado demonstrated his prosperity to the world in rather a spectacular fashion, among other things, offering to pay the national debt of Mexico, and in constructing a palace at Parral said to have cost about half a million dollars. However, when his bonanza was worked out and after he had spent most of his fortune in search of another, he decided to dispose of his mining interests to a strong Boston company, which built a large cyanide plant, installed machinery, and invested money and intelligent effort in developing the low grade ores which Alvarado had left behind as valueless. This camp has remained inactive since the last American there was murdered by so-called revolutionists, although some small undertakings were subsequently carried on under German auspices.

The other and less important silver camps of Mexico were scattered all over the republic and are too numerous to specify in detail, but with hardly any exceptions they had been exploited by Spaniards or Mexicans at one time or another, had then been abandoned as unprofitable and later taken up and worked by American or European capital, usually expended under the direction of American mining engineers or practical miners who had no interest other than that of an employee earning his livelihood by his ability and education,

teaching American methods and the use of American mining machinery to the native Mexicans, thereby increasing their value to their families and to their country.

GOLD MINES

El Oro, State of Mexico. In recent years, this camp has been the most important producer of gold in Mexico. It was not worked by the Spaniards or Mexicans who overlooked it because the ores did not out-crop on the surface. The professional knowledge of mining engineers was required to reveal the existence of the ore under the surface. The large mines were developed by British and French capital, the former being expended under the direction of American mining engineers, who also built the railway connecting the camp with the outside world. Before the revolution, this camp gave employment to about 7,000 men. The ores were treated by the cyanide process introduced by Americans.

San Pedro, State of San Luis Potosi. The vast gold deposits of this camp were discovered by the Spaniards and since that event mining activity has never ceased. Due to the fact that the mines were dry and the ores were amenable to smelting in primitive adobe furnaces, Spanish methods were unusually successful and resulted in the production of gold by them to the amount of some hundreds of

millions. So valuable and successful were these mines that the City of San Luis Potosi, said to have been at one time the second largest centre of population in Mexico, was built near them. However, the exhaustion of the high-grade ores destroyed the prosperity of the city and it was later reduced to the population of a small town. Long before 1890, the high-grade ores had been exhausted and operations were confined to the efforts of Mexican miners scratching around in the old workings for a few remnants of the former great bonanza and in picking over the old dumps and waste material rejected during the bonanza days. Later, an American company built a modern smelter in the city of San Luis Potosi and this enabled the Mexican owners to increase their operations and handle certain refractory ores to which their own methods could not be applied. Thus a measure of prosperity returned to the camp and was continued until 1903, when it again became necessary to reduce operations to a negligible minimum on account of the low grade of the ores and the primitive methods employed in their extraction. The American company owning the smelter was then induced to take a lease on the mining property at San Pedro under a system of tribute, or royalty, to the native Mexican owners, which is still in effect. Because of large sums expended in development work, new shafts,

modern machinery, and the construction of a railway from the smelter to the mines, the output gradually increased until in 1911 it amounted to about 700 tons of ore per day and gave employment to some 2,000 people. Again hydro-electric power, supplied by American capital, was a factor in the successful operation of these low-grade properties where the product was made up exclusively of material rejected by the Spaniards and Mexicans, who gutted the best part and allowed the rest to cave and become mixed with valueless country rock.

COPPER MINES

With a few unimportant exceptions, the Spaniards were never able to exploit copper ores in Mexico successfully; therefore, all of the copper mines which have been operated in the recent past were developed by foreign capital. In the order of their importance, these copper properties are located and owned, as follows:

Cananea, State of Sonora. Owned by American capital.

Boleo, Lower Califarnia. Owned by French capital.

Tetziutlan, State of Pueblo. Owned by American and Italian capital.

Matehuala, State of San Luis Potosi. Owned by American capital.

Aguas Calientes, State of Aguas Calientes. Owned by American capital.

The refractory nature of these copper ores, all of which are sulphide, required the expenditure of large sums for the erection of blast furnaces and accessories, and the skill and knowledge possessed by American engineers. In the course of developing these mines, a great number of unsuccessful enterprises were undertaken and a vast amount of American effort and money expended without the return of any profits.

In conclusion, it should be noted that cheap coal and coke, the use of cheap hydroelectric power, together with effective railway transportation, all of which were supplied by foreign capital, have played a most important part in the development during the last thirty years of Mexico's great mining industry.

None of the mines owned or operated by foreigners was ever acquired as a concession or grant through the favouritism of Diaz, or any other head of the Mexican Government. They were, in nearly all instances, either purchased or leased from Mexican owners and were all acquired under the general laws governing the acquisition of mineral properties. Very much the larger number of them represented a character of mining which the Mexicans would not, and could not, have pursued because they had not the initiative, the

capital, or the engineering knowledge required. Whatever wealth was taken out of them by the foreigners would never have been accessible to the Mexicans. The employment of tens of thousands of natives and the distribution of much money in the form of wages, cost of food stuffs, and so forth, represented just so much economic value which would never have been acquired save for the investment of foreign capital and intelligence.

Any one who may be inclined to doubt the possibility of the exhaustion of easily worked gold and silver mines in Mexico during the three hundred years of Spanish rule will find the history of gold mining in California enlightening. A pamphlet issued by the California State Mining Bureau entitled "California Mineral Production for 1915" contains a very carefully compiled table showing the annual gold production of that state from the time of the discovery of gold by Marshall in 1848, to and including the year 1915. That table shows that the total production for the sixty-eight years amounted to the enormous value of $1,631,183,696. The precious metal, it will be borne in mind, was first found in large placer deposits easily accessible by primitive methods of mining. The production in 1848, the year of the discovery of gold, amounted to $245,301. The annual production increased so

rapidly that in 1852, the fifth year after the discovery, it reached the maximum production of $81,294,700. More than half of the total production for the sixty-eight years was made in the first twenty years after the discovery of gold. The production rapidly decreased after reaching its maximum in 1852, until it had fallen in 1889 to $11,219,913. Meanwhile the exhaustion of the easily accessible placer deposits had directed the attention of miners to the values carried in veins and in low-grade placer deposits which could only be worked by the expensive mechanical process known as dredging. Both vein mining and placer dredging require the investment of large sums of money and the use of a much higher degree of skill. By these methods, the gold production of the state has been gradually increased until in 1915 it reached the value of $22,442,296, but it has never approached the maximum realized in the fifth year after the discovery of gold.

When it is recalled that the population of Mexico was much more dense than that of California when gold was discovered and that for three hundred years the people had been engaged in gold and silver mining, and the development of that industry had been stimulated by the urgent demands of the mother country for the payment of tribute in these precious metals, it will be seen that the probability of the exhaustion of the easily access-

ible deposits after three hundred years was very great, and that these deposits were so exhausted everyone familiar with the history of mining in Mexico knows.

Careful study will show the accusation, so often repeated by revolutionists bent upon confiscation, that the Mexican people have been robbed of great mineral wealth by foreigners, to be a pure invention of men desirous of justifying, or palliating, the wrongs they have perpetrated. The net result up to date of the seven years of revolutionary aggression upon the foreign-owned mining investments is that some hundreds of thousands of Mexican labourers, who were earning wages many times greater than they were ever paid by their former Latin-Mexican employers, have been denied the opportunity to make a living, and have been reduced to conditions of misery and suffering almost without a parallel even in the history of their own turbulent country.

FOREIGN INVESTMENTS IN MEXICAN LANDS

Since Mexico became self-governing the agrarian question has been most often assigned as the cause for the political unrest which has formed so large a part of her history. As, previous to the Diaz régime with its enforced law and order, few foreigners had acquired land in Mexico, the complaint against agrarian conditions prior to that

period was that the lands were monopolized by the Latin element, which had originally acquired them in large holdings after the conquest by Cortes. This condition it was asserted, and with much truth, had been continued by the successors of the original Latin conquerors, thus denying the native or peon population an opportunity to acquire an interest in the lands.

It is true that since Mexico became independent there has been considerable change in the ownership of lands. Every revolutionary movement has been characterized by the looting of personal property and, in the vast majority of cases where revolutions have been successful, they have been followed by the confiscation of real property, owned by the supporters of the losing faction, for the benefit of the successful revolutionists. But, inasmuch as the confiscated lands were distributed to the leaders of the successful party and they were almost universally representative of the ruling Latin race, the relation of the peon masses to land-holding was little affected by these changes in ownership.

It is true that Juarez, after he returned to power at the end of the Maximilian epoch, did confiscate numbers of large real-estate holdings of the Church with some that had been owned by supporters of Maximilian, and provided for their division among the working class. He did this because, being of

pure Indian blood, he was most sympathetic with the peon class and because, being an honest man and a patriot, he made an honest effort to carry out the promises he had made to redress unfavourable agrarian conditions. But his tenure of office, and life, ended soon after the beginning of this effort to establish conditions more just to the masses, and the beneficiaries of his distribution of lands being unable to hold them against the machinations of the governing Latin element, Juarez's efforts to readjust agrarian conditions met with the same ultimate failure that had followed the few other attempts to put the masses of the people into possession of some of the lands.

When Diaz succeeded to power there was no very marked change in the ownership of large real-estate holdings, but it appears that shortly after his accession a number of the revolutionary leaders under him became owners of extensive tracts of land, and the acquisition of some of these from the public domain was probably facilitated by the government. However, these changes in ownership, like others that had been made as the result of various triumphant revolutions, did not work any improvement in agrarian conditions for the peon masses, because the new owners still represented the governing Latin element and held the land in large tracts.

During the three hundred years of Spanish con-

trol and for some time after its close, the industrial interests of the nation were almost entirely agricultural, pastoral, and mining. Intelligent and persistent effort to develop railroad construction, manufacturing, and other new business enterprises appears to have been first begun under the patriot, Juarez, continued under his successor, Tejada, and to have been most successful under Diaz, because of the long period of law and order which his stern methods maintained. Previous to the attraction of foreign capital to Mexico her original industries had been conducted in the primitive and slip-shod manner characteristic, even at the present time, of most Latin-Mexicans. As a result there was little or no attempt at intensive cultivation of the lands, assisted by comprehensive modern methods of irrigation, which so large a part of the lands require. The same condition existed in the pastoral industry, which was little assisted by any intelligent effort to increase the value of its product by improvement of breeds and supplementing the food supply of the natural ranges by the production of forage crops.

Shortly after foreign capital became interested in Mexico under Diaz, it was only natural that the attention of investors should have been attracted to the opportunities for making money by acquiring lands and applying modern methods to their management. It became evident to foreign in-

vestors that Mexico offered unusual opportunities for profit in the production of coffee, of cattle by improving the grades and producing forage crops for feed and, later, by the production of rubber which had become, by the invention of the auto vehicle, of such great importance in the economic life of the world.

It was also discovered that large tracts of arid land could be made wonderfully productive by irrigation in a comprehensive way involving the investment of large sums of money. Within the last thirty years considerable sums have been invested in land in the tropic regions which was unproductive jungle until put by foreign purchasers to profitable use in the production of coffee and rubber. Foreigners have also invested in large areas of ranch lands which have in every instance been purchased, most often from private owners, but, in rare instances, from the government at prices fixed by law. These properties, by the application of modern methods of management, were made much more valuable than they would ever have been in the possession of their original Latin-Mexican owners.

There have been also established by Americans a number of agricultural colonies where the lands were divided into small holdings which were occupied by American families and were cultivated under the methods, and with the improved ma-

chinery, used in the United States. This latter development should have been of peculiar economic value to Mexico, for, in addition to producing a large amount of permanent taxable values for the country and giving employment to many of the common labourers at wages in excess of anything they had ever received from native landowners, they furnished a constant example to the people of modern methods of land cultivation which in time should, and doubtless would, have benefited that larger part of the population engaged in agriculture.

A most important development of foreign landownership has been brought about in the last twenty years by the investment of foreign capital, principally from the United States, in great reclamation projects. Comprehensive and costly systems of irrigation have made arid lands, previously of no economic value, very productive. An example of this may be found in the vicinity of Torreon, where English and American capital utilized the waters of a river in irrigating many thousands of acres of land formerly arid that for some years past have produced large and valuable crops of cotton. I have had some opportunity of observing an irrigation enterprise carried out during the past fifteen years by American capital. Here by utilizing the waters of a river, nearly a hundred thousand acres of arid land, which pre-

viously had never produced a dollar, has been made to yield great crops of cotton and forage. This one enterprise alone has added millions in value to the permanent taxable property of Mexico and it is to-day paying taxes to the extent of more than a hundred and fifty thousand dollars annually to the territorial government in which the land is situated. While the taxes are high, the owners of this particular investment are somewhat consoled by the fact that the territorial government, in marked exception to the general rule, has at its head an honest and efficient executive who sees to it that these revenues are used in maintaining order, constructing highways, maintaining public schools, and for other public improvements.

Since early in the Diaz régime and during its continuance, Mexico had a system of land laws which provided, as do similar laws in our country, for the sale of public land at prices and upon terms named therein. After these laws were enacted and until they were set aside by the Carranza government, it was never possible for Diaz, or any one else, to make a grant or gift of any public lands to any citizen or foreigner. A somewhat careful investigation has failed to discover a single instance in which land in Mexico is held by a citizen of the United States by virtue of any public grant or concession in the nature of a gift. As in the case of mining and oil properties, what lands have been

acquired in that country by our citizens have been bought at a price which represented the full value of the land to the owners; and if, under the management of the foreign owner, the lands became worth more than was paid for them, as they undoubtedly did in most cases, this increased value was attributable entirely to the energy and intelligence of the foreign owner.

This success of the foreign owner, while producing some profit to him, has necessarily been of great economic value to the people and nation, because it has furnished employment for labour at rates in every instance greater than the Latin-Mexican landowner paid; it has increased by millions the taxable property of the country; and it has afforded an object lesson in improved methods of management and cultivation which should have been of great value to the people of the country. Yet, the American investor, who has thus added to the prosperity of Mexico, is denounced by the element now in power as a robber of the people. We shall see in another chapter how these foreigners have been deprived of their properties, their homes wrecked and ruined, and many of them, with their families, murdered. In nothing more than in the treatment, by the people now in power, of the foreigner who has acquired landed interests in Mexico, as contrasted with the treatment of the foreigner who has acquired land in our

own country, is the difference between the policies which direct the government of the two countries shown.

The largest privately owned tract of land in the United States is the great Maxwell Ranch, in New Mexico. This tract, consisting of about 1,470,000 acres, has for years belonged to Dutch capitalists and is devoted principally to stock grazing. But nobody has heard any accusations that these foreign investors have inflicted a grievous wrong upon our people by becoming owners of this great holding. Probably every citizen of New Mexico would resent indignantly any suggestion that he desired to see his state, or its citizens, become the possessors of this land by confiscation. The industrious Scandinavian peoples, who settled the great Northwest, and made their homes upon land acquired for a very small part of its actual value from the Government, and who are to-day the most responsible factors in the prosperity of states like Minnesota and Wisconsin, rendered the same service to this country that the industrious Americans who settled in a number of agricultural colonies and made their homes and developed lands there rendered to Mexico.

I have in mind an Italian colony established some years ago upon cheap land in a sparsely settled section of my native state, Arkansas. These industrious Italians, on land that before had pro-

duced nothing of value, have established beautiful farms and vineyards, have built an attractive little town where the fine church and school buildings are the pride of the community, and have turned a section of country which was almost unproductive into a garden spot, the site of many happy homes of an industrious people. So proud is the state of what these people have done that their achievements are described and illustrated in books and pamphlets advertising the resources of the state.

The only reference to similar enterprises which have been established by Americans in Mexico that will be found in the propagandist literature issued by the Carranza party takes the form of denunciation of the foreigners who have established these little centres of industry and production as robbers of the Mexican people. The fact is that the Latin-Mexican element—which at all times has been in control of the government and which, until foreigners became interested and developed valuable properties there under the encouragement of the Diaz régime had busied themselves in using a hundred revolutionary movements to confiscate the property of each other—has found that to-day the properties most valuable and which, therefore, appeal most to its lawless greed, are those built up by the intelligence, enterprise and industry of foreigners. This ele-

ment is now industriously engaged in confiscating these properties, and is endeavouring to justify and excuse its acts by accusing the people who have built them up of being robbers of their country.

In the United States we welcome the investment of the money, the intelligence, and the industry of foreigners, and recognize them as assets added to the prosperity of the country. Because we have pursued that policy we stand to-day without a peer in national prosperity, wealth, and credit. The powers now in control in Mexico, in gratifying their greedy desire for property created by the foreigner, have so destroyed the prosperity of their country that thousands of their people within the past five years have died of starvation, other thousands are on the brink of destruction, and the credit of their country is so low that they are unable to raise a dollar by public loans. Surely such a comparison of results should give pause to those who may feel inclined to encourage or to tolerate such a spirit as is now dominant in the management of governmental affairs in Mexico.

CHAPTER IV

How the Carrancistas Have Treated the Interests of Foreign Investors

HAVING learned in the preceding chapter that the Carrancistas denounce foreign investments as a great wrong against their country, and having examined in detail the nature and extent of these alleged injuries, it may be of interest to ascertain just how these self-constituted guardians of the National honour have avenged the offenses, and what steps they have taken to put the Mexican people in possession of their own. It would be logical, if anything relating to such an extraordinary point of view may be so characterized, for the Carrancistas to begin their task of redressing grievances by first calling to account the alien investments most vitally important to the economic welfare of Mexico; and that is precisely what they did.

Cheap fuel is a prime requisite of industry. Until a score of years ago Mexico was almost entirely dependent upon coal imported from the United States at heavy expense for fuel for railroad and industrial needs. Then coal of good quality

was discovered in the State of Coahuila. American, French, English, and Mexican capitalists combined to form the Compañía Carbonifera Agujita e Annexas which developed large mines at Agujita and Lampacitos which furnished the railroads with an abundant supply of much cheaper fuel than they had ever had before, and also rendered possible the building of large smelters, the development of iron mines, the establishment of iron and steel production, and other important industries.

These alien coal barons were not long permitted to continue their crime of enabling many thousands of Mexicans to earn a far better livelihood than they had ever enjoyed before cheap fuel became known. One of the first acts of Carranza after his revolution was anounced in the "Plan of Guadalupe," on March 26, 1913, was to send his brother, Jesús Carranza, on May 26 to call these coal producers to account. Perhaps the story of what followed cannot be better told than in the words of an American who was interested in the works. Here is what he wrote:

> "Shortly after the assassination of President Madero, the mines at Lampacitos were visited by General Jesús Carranza, a brother of the present First Chief of Mexico, who, in command of a revolutionary body, demanded of the manager of the mines that he be paid 100,000 pesos, in default of

which, he threatened to burn and destroy the plant. As the manager had not such a sum in his possession, and telegraphic communication with the headquarters of the Company in the City of Mexico was interrupted, he was unable to comply with the demand and General Carranza thereupon proceeded to destroy the plant, and in prosecution of such intent, dynamited several hundred coke ovens, burned most of the houses and buildings, and destroyed the extensive structures of the company, such as the tipple and washer.

"After completing such work of destruction, General Jesús Carranza announced that he intended to march immediately to Agujita, the other plant of the company, situated some fifty miles from Lampacitos and that if, by the time he arrived there, the money previously demanded by him was not paid, he would destroy the plant in Agujita.

"Upon arriving at the latter named place, the corporation representative being without money and being unable to comply with the demand of general Carranza, the latter proceeded to destroy the plant at Agujita and would have succeeded, as in the case of Lampacitos but for the fact that his troops were frightened away before the destruction was completed by the rumoured approach of Huerta's forces. * * *

"General Carranza did not destroy a large body of coke which was on hand at the time of the depredations committed by him and his forces and this has been regarded by the shareholders of the company as one of the sources from which it would be able to derive large sums of cash to be immediately used in the work of rehabilitating the mines.

"I am just in receipt of a Declaration of Forfeiture of various mining properties in Coahuila, including among others the plant at Agujita above described. The R. Muzquiz, whose name is signed to the Declaration of Forfeiture, I am informed, is the Chief at Coahuila of the civil partisans of First Chief Carranza.

"It is believed that the first object of the Declaration of Forfeiture is to provide means whereby some 30,000 tons of coke on hand, and worth at the present time about 2,000,000 pesos in Carranza currency, may be disposed of."

Observe the thoroughness with which this particular alien wrong was set right. First, Carranza, through his brother, imposes a penalty of 100,000 pesos upon the coal company for producing the fuel which made it possible for many thousands of Mexicans to earn a livelihood. Failing to collect promptly enough, he wrecks the property as a warning to other aliens to be quick with the cash. The fact that several thousand Mexicans employed in and around the mines were left to starve was a minor incident. Finally, he declares the title to these important mining enterprises forfeited because the owners had ceased to operate them after Jesús Carranza did such a good job of wrecking them.

What happened to these coal mines is typical of the fate of most industrial enterprises owned by Americans in Mexico. To make the story com-

plete the fact may be added that after the mines had stood idle for some time, because the owners, having no assurance of protection, dared not restore them to operation, the properties were purchased for a very small part of their value by a corporation representing a group of German capitalists whose headquarters are in Frankfort-on-the-Main. The new owners, under the protection which everything German receives from Carranza, have reopened these mines, and are now producing coal and coke with which to operate smelters which they have also acquired in Mexico, and which are conducted in competition with American-owned smelters whose operations have been hampered in every way, and some of which have been closed altogether by the exactions of the government.

The foregoing is only one of numerous instances in which Germans have been able to secure, at a small fraction of their true worth, properties belonging to citizens of our own country and of our allies, France and Great Britain, the value of which had been largely destroyed by the exactions of the government now in power in Mexico.

The most humiliating result of the Germanophile character of the Carranza element has been that it has forced American citizens to seek for their properties the protection of the German flag. An incident of this sort some time ago came to my

attention because it happened to concern residents of Los Angeles with whom I am very well acquainted. These men were developing a large rubber and coffee plantation in Mexico. They purchased the land, which was unimproved jungle, from private owners at a good price. Had the plans of the investors been carried out, a great property worth millions of dollars, subject to taxation, would have been created. They happened to have as a manager a German whose nationality was attested by a distinctly Teutonic name. This man had shown himself to be trustworthy, and, when it became evident that the powers in Mexico had great respect for German rights and none whatever for those of citizens of the United States, the owners of this great property placed it in the name of their German manager. Some time ago they showed me a letter from this manager, in which, after telling that all the goods in the store maintained on the property had been taken by a company of soldiers from military headquarters near by, he continued:

"I am glad to inform you that we were able to recover most of the goods taken away from us by the government to the capital. The governor, hearing they belonged to us, gave order for their release and what was left was immediately returned to us. When we think of the fact that other people have lost their entire stock and shipments, we may

consider ourselves belonging to the more favourably and considerately treated people."

The other people referred to in the quotation were foreigners, not Germans, who had not been provident enough to place their properties under the aegis of a German name. The existence in a neighbouring country of a condition which makes it necessary for American citizens to seek protection from looting and destruction of their property by placing it under the protection of the bloody flag of Germany is something which no one who endeavours to confine himself to moderate language can comment upon.

Some years ago, the Richardson Construction Company, including some of the wealthiest men in New York City, was organized for the purpose of impounding the waters of the Yaqui River to irrigate a body of 800,000 acres of arid land in the Yaqui Valley. The company purchased from private owners about 400,000 acres in the state of Sonora. The remainder of the land to be irrigated belonged to numerous private holders, mostly Mexican citizens. A contract was made between the company and the national government, by the terms of which the company, in consideration of certain payments made and certain obligations assumed, was authorized to use the waters of the river up to a designated maximum

which was estimated as being the amount required to irrigate all the land under the project. The rates at which this water was to be furnished by the company to the owners of land were named in the agreement, and were very low—much lower, in fact, than the rates for irrigation which prevail in Southern California. The land, while unproductive in its arid state, is, when irrigated, among the most fertile in the world. A date for the completion of the work was named, with the provision that the term should be extended to cover any delays in the work for which the company was not responsible. The company by the terms of its contract gave security for the carrying out of its agreement, the estimated total cost of which was about $14,000,000. The land, under irrigation, would have been worth $100 per acre or more. The project fully carried out would have created an economic asset, subject to taxation, of a value, of nearly or quite $100,000,000. The company in 1909, entered into an agreement with the state government of Sonora, by the terms of which the state, appreciating that the land was of little value until canals could be built, agreed not to assess its holdings higher than 4 pesos a hectare for the term of ten years.

From 1912 until the present time, conditions in the Yaqui Valley have been so uncertain and the raids of the Yaqui Indians have been so unre-

strained that the company has been unable to begin the construction of its large dams. Pending this work, however, the company has constructed a wing dam and has built about 400 miles of canals which provide irrigation for 30,000 acres of land, about one half of which belongs to Mexican citizens. The company also established an experimental station for testing the value of various agricultural products, and published, in Spanish and English, bulletins giving the result of these experiments, which were distributed gratuitously to all applicants. In other words, it established a fully equipped agricultural experiment station, giving to the Mexican people a service which their own government had never adequately performed.

In 1915 the Carranza government installed General Calles as military governor of the state of Sonora. Among the first acts of this governor was the issuance of a decree, No. 17, dated December 23, 1915, the apparent object of which was the confiscation of property by levying high taxes impossible of payment, especially so that the land could not be used because of Yaqui Indian depredations and generally abnormal conditions. When the company objected to this taxation and referred to its contract with the state government of Sonora, dated 1909, it was told that Governor Calles had cancelled this contract and that it must pay the taxes provided in the decree.

Under the political organization of Mexico, the territory of the state is divided into a number of smaller areas called municipalities; these municipalities have no relation to the density of population in the country, but are extensive areas of country land, frequently including 500 square miles or more. In addition to the assessment made by the state government for purposes of taxation, the municipality assessed the land an amount varying from 50 per cent. to 75 per cent. of the state assessment. Under the national law of taxation as established by Carranza's government, national revenue stamps to the amount of 60 per cent. of the amount of the state and municipal taxes must be placed upon the receipts for these taxes before they are valid. Thus the projectors of this great enterprise were met with a demand to pay a state tax upon their arid lands assessed at the value of productive lands; to pay a municipal tax ranging from 50 per cent. to 75 per cent. of the state's valuation and, in addition, to pay a national tax which was 60 per cent. of the sum of the state and municipal taxes.

It may be interesting to note in this connection that during the Diaz period the maximum of the national stamp tax required to be paid upon state taxes was only 20 per cent. while the Carranza government has tripled the national tax. This assessment was resisted by the company. The

government of Sonora then proceeded to sell some of the company's improved property, including company buildings, to satisfy the state tax, and demanded that the company should pay on account of this tax one half of all its receipts from irrigation, and proceeded to enforce the demand by taking money from the safe in the company's office by force. Later on, these assessments were modified. But recently the company has been faced by an exaction in another form which shows the utter lack of conscience, as well as of all care for the economic future of their country, which characterizes the Carranza officials.

The last exaction came in the form of a federal decree demanding that the company pay an annual tax on the maximum amount of water that its contract with the federal government gives it the right to divert from the Yaqui River for the irrigation of the entire valley, approximately 800,000 acres of land, payment of this annual tax to begin at once, although the contract provides a period of approximately twenty years in which to complete the irrigation system and subdivide the lands that will then, and not until then, be using the maximum amount of water provided. Upon the representative of the company explaining to the Secretary of Fomento that the company could not exist under such a burden, especially as it was being prevented from completing its work by the failure

of the government to protect its workmen from raids by the Yaqui Indians and that it stood ready at all times to carry out its agreement as soon as conditions permitted, it was met with a threat that its right to the waters of the Yaqui River would be forfeited and that innumerable smaller rights to these waters would be issued so that each man or small group of men could provide their own system of irrigation.

Of course, it would be utterly impossible to irrigate adequately and economically so great an area of land except by one system under single management, requiring many millions of dollars. With this investment made, as originally planned, water would be delivered for irrigating this wonderfully rich territory at a very low cost. The Mexican Government has no money to carry out the plan and no prospects of ever securing any. Yet, because the company will not submit to a robbery which would bankrupt it in a short time, this official of the national government proposes to destroy an enterprise that would produce hundreds of millions of value where nothing exists to-day. It would also furnish employment to thousands of Mexican labourers and would result in building up a great property subject to taxation.

This is one example of the way many enterprises of like character are being destroyed by the Carranza government as a result of a short-sighted

and unpatriotic greed which prefers a few dollars of loot in the present to a great national benefit in the future.

In all the stories that have been written of the robbery and ofttimes murder by revolutionists during the last seven years, and especially by the revolutionists headed by Carranza, nothing is more pitiful than the destruction of a number of agricultural colonies established by Americans. These colonists represented foreign invasion of the most beneficent character. The members of these communities were industrious, frugal Americans whose efforts were devoted to making land, which before had been unproductive, yield the things most needed in their adopted country.

The first result of the success of these colonies consisted in increasing the national wealth to a large extent by producing property subject to taxation. They also gave employment to great numbers of the agricultural labouring class of Mexicans at wages higher than they had ever before known. In addition, they furnished examples to the Mexican people of improved methods of cultivation which should have made them of great economic value to the country.

There were a number of these American colonies, at Garcia, Pacheco, Juarez, Dublan, Diaz, and other places in the states of Sonora and Chihuahua. An incomplete list of these colonists,

prepared by U. S. Senator Fall of New Mexico for the use of our Secretary of State, enumerates 284 men, 301 women, and 1,266 children, 1,100 of whom had been born in Mexico. All the persons on this list not born in Mexico had lived there from ten to twenty-eight years.

A typical example of what these colonists were subjected to is shown by the following statement of one of them:

"There must have been 125 houses destroyed at Colonia Diaz, which I believe suffered more than the others. We had just three hours to get out, leaving all the accumulations of years of hard work. Oh, it was hard! I don't want to think of it. We left June 2, 1913, as the bandits destroyed my two-story granary and threshing machine. I laid out that place twenty-eight years ago and, so to speak, grew up with it, so you can imagine how I feel in the matter. Several times the Mexicans thrashed through the colony, playing havoc with it each time until now it is in absolute ruin. Beautiful homes all destroyed, farm equipment burned. Everything those wretches could lay their hands on they burned or wrecked. I had 300 head of Polled Angus cattle; I saved only 29 head. Of 80 horses we had on the ranch, only 8 escaped the hands of the bandits. In that section, there were ten stallions worth $50,000. We did manage to save 3 or 4 from the bandits. I had 6,000 bushels of wheat on my ranch a year ago. It went quickly when the revolutionists showed up. In the colony

altogether there must have been 40,000 bushels, all of which went. There were about 4,000 people in the colonies. There are now only a few families left and they are in danger."

It will be noted that the outrages recited by this American citizen, who had devoted twenty-eight years of his life to building up a valuable property, occurred after the beginning of the Carranza revolution, March 26, 1913. While the outrages were not all perpetrated by followers of Carranza, most of them were, because his followers were more numerous than those of all other revolutionist leaders combined.

The American farmers who composed these little centres of agricultural industry and prosperity were in no sense exploiters of Mexico under concessions granted by the Diaz government, for they had purchased the land upon which they built their homes and depended upon their own industry, economy, and enterprise for the prosperity which they had achieved, and not upon any advantage secured by concessions, or privileges of any kind granted by the Mexican Government.

The destructive effects of the Carranza government on the financial life of the country are shown in the treatment of the greatest two banking institutions in its capital city; the Banco Nacional, representing French capital, and the Bank of Lon-

don and Mexico, representing French and English capital. The following description of the way the Carranza government dealt with the Banco Nacional was secured from a man who was at one time connected with that institution. He says:

"Since the Carranza government came into power the bank has been obliged to accept at par, in payment of the loans which it made formerly, either in specie or notes of the Banco Nacional, the paper money issued by the Carranza government which had depreciated in value and was worth only five or six cents instead of fifty cents (its face value).

"For having tried timidly to prevent the afflux of this depreciated paper in its vaults, the directors of the bank were imprisoned and the employees were molested.

"The paper of the other governments (Villa and Zapata), which the bank was obliged to receive in payment, was declared to be invalid and it had to be remitted to the authorities and destroyed.

"It is thus that more than 30,000,000 pesos in current account alone, representing active funds of the bank amounting to $15,000,000 were reimbursed by paper which, on an average, was not worth more than three or four million dollars.

"On September 15, 1916, Carranza issued a decree annulling the concessions of circulation of the banks, fixing a period of sixty days in which to increase their specie holdings up to an amount equal to the amount of their circulation, establishing Sequestration Councils composed of three

members nominated by the government and forbidding the banks to transact any business without the sanction of the Secretary of Hacienda.

"On September 26, the Council of Sequestration named by the government went to the Banco Nacional to take possession. As the Directors' Council of the bank protested against these violent measures, on September 28, the manager and the assistant manager of the bank were arrested at their homes by order of the military authorities, while an armed force presented itself at the bank, making all employees and domestics leave and then closing the doors.

"The bank was forced to grant to the government a first loan of 5,000,000 gold pesos. This forced loan was followed by others until all specie holdings of the bank were successively remitted to the government and the bank was thus despoiled of thirty to thirty-five million pesos in gold and silver which had guaranteed the circulation before the Carranza government came into power. Since then and until the present time the bank, besides having been thus deprived of its specie holdings, was forbidden to transact any financial business, exchange or other; so that it is obliged to maintain a staff of employees and to meet general expenses which are very high, while it is impossible for it to earn a cent. Practically, the Banco Nacional has seen its credit balance reduced to almost nothing, as a result of the obligation to accept paper money; its concession which was granted in 1884 has been annulled; it has been forbidden to transact any financial business, even the most legitimate; in principle, its management is in the hands of the

Council of Sequestration although in fact, thanks to the loans which have been granted, the old administration has been tolerated; almost all of its branches have been closed; finally, it has been obliged to loan to the government its entire specie holdings, "gold" and silver."

The experience of the London and Mexico Bank was equally disastrous. On July 3, 1917, the Board of Directors of that Bank published its annual report in *El Universal*, the leading daily paper of the City of Mexico, in which it said:

"It was then reported that of the amount of more than nineteen million pesos in gold and silver in bars and coin which has been in the bank's vaults, there had been slowly taken away from January 18, 1917, until the present time, the sum of more than seventeen million pesos; there remaining in the vaults, according to information received by the Board of Directors, only about two million pesos. In the report it was stated that the Board of Receivers (a board appointed by and representing the Carranza government), ordered that the cash department and the safes should always remain open, which measure obliged the Board of Directors to put a corps of employees on guard in this department, day and night, to avoid responsibility for abstraction of funds from the vaults falling on those not responsible.

"The Board stated categorically that of the $19,611,141 in specie which were in the vaults of the bank, hardly $2,000,000 remain, as the Board

of Receivers had disposed of the difference, and that the said Board of Receivers has sold at the lowest prices securities considered first class by the bank.

"That on February 15, 1917, the Department of Finance refused to recognize the bank's Board of Directors, refusing to take up any matter connected with the institution with them and ordered that the Board of Receivers liquidate the bank.

"Mention was made of a communication from the Department of Finance in October last year, asking for delivery to the mint of the bars of metal which the bank had in vault and a message from the Sub-Secretary of Finance was annexed, sent from Queretaro to the manager of the bank, categorically stating that the money coined therefrom would be returned to the bank; and it was reported that, notwithstanding this assurance given by the Sub-Secretary of Finance, compliance with this written offer has never been made.

"Finally, it was stated that of 820 silver bars, taken by the government, worth more than a million pesos, national gold, and eighty gold bars worth 1,840,119 pesos, to be coined by the mint, they have returned to the bank, in the breach of the offer made from Queretero by the Sub-Secretary of Finance, only 299,675 pesos for the silver bars and 200,000 pesos for the gold bars, causing the bank a deficit of 2,697,387 pesos."

The foregoing instances of the robbery of foreigners by the government now in power might

be multiplied until they would fill all the pages of this book without exhausting the list. They are given as being merely illustrative of the character of the Carrancistas. The list of what they have wrecked and ruined might be extended to include mines, smelters, public-service corporations, railroads, and in fact every kind of financial and industrial enterprise which contributes to the well-being of a country.

The spirit of looting and dishonesty which rules the present government appears to have been very frankly indicated in a series of articles published last year by Luis Cabrera, at one time Secretary of Finance in the Carranza cabinet and one of the most prominent leaders in the Carranza revolutionary party. It appears that Mr. Cabrera had been accused by some of his enemies of profiting by his control of the national finances. In response to this accusation, he published three articles in *El Universal*, in the City of Mexico, in which, while admitting that large amounts of property and sums of money had come into possession of the military officials as a result of robbery and confiscation, he denies that this money had found its way into the national or state treasuries. In his explanation Secretary Cabrera shows how this was done, as follows (we quote verbatim from *El Universal;* the italics are ours):

"By disposing of articles other than money, such as furniture, automobiles, or real estate, for personal use or for profit.

"During the constitutionalists' revolution, the case has been repeated, with unfortunate frequency, under the pretext of confiscating 'intervened' properties, and great quantities of private property have been seized in the beginning for the nation, *but the confiscators have used them for personal profit or sold them for money.* It is unnecessary to bring proofs of this, for unfortunately, *almost all of the confiscation of the enemies' properties, with honourable exceptions, have been made with the deliberate intention of converting the goods for private use.* This goes from the mere 'loan' of a horse or saddle, from *the requisition of grain and fodder which are not used for the troops, to the occupation of houses, property, and ranches which have been confiscated and were cultivated and exploited directly for the benefit of the confiscator.*"

Following is a list of some of the important properties belonging to foreigners of which the Carranza government has taken possession and is using without compensation to the owners:

National Railways of Mexico: representing British, American and French capital;
Mexican Railway, Vera Cruz-Mexico City; British capital;
Wells-Fargo Express Co.; American capital;
Vera Cruz to the Isthmus Railway; American and British capital;

Inter-Oceanic Railway; British capital;
Mexico Telephone and Telegraph Co.; American capital;
Street Railway of Mexico City; Canadian and American capital;
Railways of Yucatan; British capital;
Mexican Navigation Co.; American capital; Ships under Mexican flag;
The London and Mexico Bank; French and British capital;
The Banco Nacional; French capital.

The railways have been almost entirely wrecked; the capital of the banks has been used for the purposes of the Carranza government and not one cent has been paid, or any effort made to pay one cent, to the owners of these properties although they have, for years, had neither use of the properties nor income therefrom.

Thus, we see that Mexico is in the grasp of men who have sacrificed, and are continuing to sacrifice, the welfare of the country for the opportunity to secure by looting the immediate dollar. It is nothing to these men that a great coal company, producing a vital necessity of the industrial and economic life of Mexico should have been wrecked because they were disappointed in not having been able to rob the management of that company of 100,000 pesos. It is nothing to them that a great irrigation enterprise, that would have created

$100,000,000 of value, given employment to thousands of people, produced a great taxable asset to the country, and yielded immense annual production of foodstuffs and cotton worth millions of dollars, should be wrecked and ruined. All this they are willing to sacrifice in order to secure a few dollars of present loot. It is nothing that the great financial institutions of the country, which furnished the capital that is the life blood of business, should be wrecked and ruined provided they can secure some present money which almost all goes to the army for the purpose of maintaining the heads of that organization in a life of vicious indulgence in the capital city.

It is this spirit now controlling the government which has destroyed the industry of Mexico and deprived hundreds of thousands of its people of the chance to make a living; has caused thousands of them to starve to death; has reduced the compensation of its labourers and school teachers until their incomes will barely sustain life, or has deprived them of employment altogether and has made the country the social and economic wreck that it stands to-day.

No account of the treatment of foreigners by the Carrancistas would be complete without a reference to the number of American citizens who have lost their lives at the hands of the revolutionists.

A list of 285 American citizens, with their names and addresses, who were killed by Mexican revolutionists between December, 1910, and September, 1916, was carefully compiled by private parties for the information of our Government. This list, which is given in full in Appendix III, did not pretend to be complete, for it did not include the two officers and thirteen men killed by the followers of Carranza at Carrizal, nor many other Americans known to have been killed but whom it has not been possible to identify.

The most disquieting feature of this shameful series of crimes is that it has continued uninterrupted and unrebuked to the present moment. The New York *Times* of October 20, 1918, contained a list of sixty-one outrages including ten murders and two kidnappings, the victims of which were held for ransom, not for all of Mexico, be it remembered, but for the oil regions alone, in a period of six months and eight days ending July 31, 1918, an average of an outrage every three days. This list is reproduced in Appendix IV. It will be noted that not all the crimes were committed by banditti but that some were perpetrated by Carranza soldiers in uniform. In one instance Carranza soldiers overtook banditti who had just robbed a launch of a considerable sum and robbed the robbers. In still another instance the banditti compelled their victim to sign a certificate to

satisfy their commander that they had stolen everything there was to take. The oil fields offer a happy hunting ground for robbers in uniform or out of it, because money is more plentiful there than elsewhere, as the petroleum industry is about the only one left in anything approximating full operation.

Probably no better statement of outrages upon the persons of Americans could be made than that contained in the letter of our Secretary of State of June 20, 1916, addressed to the "Secretary of Foreign Relations of the *de facto* government of Mexico." This letter was provoked by a most impudent communication addressed by C. Aguilar, Secretary of Foreign Relations of the Carranza régime, which the United States had recognized as the *de facto* government of Mexico, to Secretary of State Lansing, in which the writer accused our Government of bad faith in sending troops into Mexico to apprehend bandits who had invaded our country and murdered our citizens. The letter of Secretary Lansing in reply is probably one of the most remarkable documents ever framed by an officer of a responsible government in the showing that it made of tame submission to outrages upon its citizens. The only consolation for an American citizen in the whole dismal recital is found in the evident burning indignation of the Secretary of State at the existence of condi-

tions which made such a letter possible. In his letter the Secretary says (Italics are the author's):

"For three years the Mexican Republic has been torn with civil strife; the lives of Americans and other aliens have been sacrificed; vast properties developed by American capital and enterprise have been destroyed or rendered unproductive; bandits have been permitted to roam at will through the territory contiguous to the United States and to seize, without punishment or without effective attempt at punishment, the property of Americans, while the lives of citizens of the United States, who ventured to remain in Mexican territory, or to return to protect their interests, have been taken, in some cases barbarously taken, and the murderers have neither been apprehended nor brought to justice.

"It would be difficult to find in the annals of the history of Mexico conditions more deplorable than those that have existed there during these recent years of civil war.

"It would be tedious to recount instance after instance, outrage after outrage, atrocity after atrocity, to illustrate the true nature and extent of the widespread conditions of lawlessness and violence which have prevailed. During the past nine months in particular, the frontier of the United States along lower Rio Grande has been thrown into a state of constant apprehension and turmoil because of frequent and sudden incursions into American territory and depredations and murders on American soil by Mexican bandits, who have

taken the lives and destroyed the property of American citizens, sometimes carrying American citizens across the international boundary with the booty seized.

"American garrisons have been attacked at night, American soldiers killed and their equipment and horses stolen. American ranches have been raided, property stolen and destroyed, and American trains wrecked and plundered. The attacks on Brownsville, Red House Ferry, Progreso Post Office, and Las Peladas, all occurring during September last, are typical. *In these attacks on American territory, Carrancista adherents, and even Carrancista soldiers, took part in the looting, burning, and killing.* Not only were these murders characterized by ruthless brutality, but uncivilized acts of mutilation were perpetrated. Representations were made to General Carranza, and he was emphatically requested to stop reprehensive acts in a section which he has long claimed to be under the complete dominion of his authority. Notwithstanding these representations and the promise of General Nafaratte to prevent attacks along the international boundary, in the following month of October a passenger train was wrecked by bandits, and several persons killed, seven miles north of Brownsville, and an attack was made upon United States troops at the same place several days later.

"Since these attacks, leaders of the bandits, well known both to Mexican civil and military authorities, as well as to American officers, have

been enjoying with impunity the liberty of the towns of northern Mexico.

"*So far has the indifference of the* de facto *government to these atrocities gone that some of these leaders, as I am advised, have received not only the protection of that government, but encouragement and aid as well.* Depredations upon American persons and property within Mexican jurisdiction have been still more numerous.

"This Government has repeatedly requested, in the strongest terms, that the *de facto* government safeguard the lives and homes of American citizens and furnish the protection, which international obligations impose, to American interests in the northern states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, and Sonora, and also in the states to the south.

"For example, on January 3d, troops were requested to punish the band of outlaws which looted the Cusi mining property, eighty miles west of Chihuahua, but no effective results came of this request.

"During the following week the bandit, Villa, with his band of about 200 men, was operating without opposition between Rubio and Santa Ysabel, a fact well known to Carrancista authorities. Meanwhile a party of unfortunate Americans started by train from Chihuahua to visit the Cusi mines, *after having received assurances from the Carrancista authorities in the state of Chihuahua that the country was safe and that a guard on the train was not necessary. The Americans held passports of safe conduct issued by the authorities of the* de facto *government.* On January 10th, the train was

stopped by Villa bandits and eighteen of the American party were stripped of their clothing *and shot in cold blood in what is now known as the Santa Ysabel Massacre.* * * * Within a month after this barbarous slaughter of inoffensive Americans, it was notorious that Villa was operating within twenty miles of Cusihuiriachic and publicly stated that his purpose was to destroy American lives and property. Despite repeated and insistent demands that military protection should be furnished to Americans, Villa openly carried on his operations, constantly approaching closer and closer to the border. He was not intercepted nor were his movements impeded by troops of the *de facto* government and no effectual attempt was made to frustrate his hostile designs against Americans. In fact, as I am informed, *while Villa and his band were slowly moving toward the American frontier in the neighbourhood of Columbus, N. M., not a single Mexican soldier was seen in this vicinity, yet the Mexican authorities were fully cognizant of his movements and on March 6, as General Gavira publicly announced, he advised the military authorities of the outlaws' approach to the border so that they might be prepared to prevent him from crossing the boundary.*

"Villa's unhindered activities culminated in the unprovoked and cold-blooded attack upon American soldiers and citizens in the town of Columbus on the night of March 9, the details of which do not need repetition here in order to refresh your memory with the heinousness of the crime. After murdering, burning, and plundering, *Villa and his bandits, fleeing south, passed within sight of the*

Carrancista military post at Casas Grandes, and no effort was made to stop him by the officers and garrison of the de facto *government stationed there.* * * * American forces pursued the lawless bandits as far as Parral where the pursuit was halted by the hostility of Mexicans presumed to be loyal to the *de facto* government, who arrayed themselves on the side of outlawry and became in effect the protectors of Villa and his band. * * * I am reluctant to be forced to the conclusion which might be drawn from these circumstances that the *de facto* government, in spite of the crimes committed and the sinister designs of Villa and his followers, did not and do not now intend or desire that these outlaws should be captured, destroyed, or dispersed by American troops, or at the request of this Government, by Mexican troops. * * * Candour compels me to add that the *unconcealed hostility of the subordinate military commanders of the* de facto *government toward the American troops engaged in pursuing the Villa bandits and the efforts of the* de facto *government to compel their withdrawal from Mexican territory by threats and show of military force, instead of by aiding in the capture of the outlaws, constitute a menace to the safety of American troops and to the peace of the border.* * * * In view of this increased menace, *of the inactivity of the Carranza forces, of the lack of co-operation in the apprehension of the Villa bandits and of the known encouragement and aid given to bandit leaders,* it is unreasonable to expect the United States to withdraw its forces from Mexican territory or to prevent their entry again when their presence is the only check upon further bandit out-

rages and the only efficient means of protecting American lives and homes,—safeguards which General Carranza, though internationally obligated to supply, is manifestly unable or unwilling to give."

Surely no further proof should be needed of the fact that Carranza and his followers have, from the very beginning, been inspired by a spirit of lawless aggression in their dealings with Americans and the citizens of our allies, England and France, which has led them to violate every principle of international law which is supposed to govern the conduct of a country toward the nationals of other countries.

That the Carranza party has been permitted to carry on without restraint its lawless dealings with the persons and properties of all foreigners in Mexico, except the citizens of Germany, must be accepted as one of the results of the great war; but, in view of the failure of our own Government, during eight years' revolutionary activity in Mexico, to furnish any protection worthy of the name to the persons and property rights of Americans in that country, we probably cannot claim that the war has had any effect upon the treatment of American citizens there. During the first two years of revolution begun by Madero and continued by several leaders who challenged his power after he had succeeded Diaz, many offences against

the persons and property of Americans in Mexico and along the border were committed by various revolutionary bands. During this period our country was under a republican administration, and the officers of that administration adopted the course of refusing protection to American citizens against offences from armed Mexicans, which appears to have been followed by our Government continuously since that time. In a speech made in the United States Senate on March 9, 1914, the Honorable Albert B. Fall, United States Senator from New Mexico, in criticizing the failure of President Taft's administration to afford protection to Americans against lawless invasion of their rights by Mexicans, said in reference to the killing of our citizens in El Paso by bullets from the guns of Mexican revolutionists:

"The United States troops patrolled the city, the streets, the water front, and the boundary line. Telegrams were sent backward and forward, one of the officers, at least, demanding that he be allowed to go across into Mexico for the purpose of preventing the threatened danger to Americans on this side, in a city of 50,000 people. But they were not allowed to enforce their warning and 18 American citizens, including women, were shot down in the streets of El Paso.

"Mr. President, when their friends asked of the Government of the United States that it might investigate the killing of American citizens on

American soil and obtain for their families some little measure of relief in the payment of damages to those who needed it for their daily subsistence, this great Nation in writing refused to consider their cases and relegated them to the Mexican courts in the Republic of Mexico.

"Finally this matter was brought to the attention of the Congress of the United States by the Senator from Arizona (Mr. Smith) and myself, and when the Congress of the United States finally understood the matter they took it out of the hands of the State Department, which had proven itself incapable and unworthy in dealing with affairs of this kind, and placed it in the hands of the War Department, who found damages to American citizens in El Paso for killing and wounding Americans, to the amount of $71,000 which should be paid by this Government, which might thereafter undertake to enforce its claims upon the government of Mexico.

"The Senate, Mr. President, I am proud to say, made an appropriation a year ago for the payment of these claims. Now the people are back here begging again at the hands of this Government that some little measure of justice to the children and widows of American citizens shot down on American soil may be provided as for two or three years they have been compelled to depend upon their own efforts."

It may not be amiss at this point to recall the fact that when the United States recognized the Carranza administration as the *de jure* govern-

ment of Mexico it became legally bound under international law to collect all just claims of American citizens for damages to property or injuries to person from the Mexican Government. Failing so to collect, this Nation is morally, though not legally, bound to pay the claims itself. We recognized this principle of international law some forty years ago when twenty-one Chinamen were hanged in Los Angeles during an anti-Chinese outburst. Although China had no navy and was wholly incapable of enforcing any claim we voluntarily paid the bill for damages. We again recognized this principle a few years later, when a number of Italians were lynched at New Orleans, by paying promptly and without protest a bill for damages from the Italian Government. Finally we have recognized the duty of Government to protect its citizens wherever they may be, in more than a hundred instances in various places from the Chinese coast to Armenia; from Patagonia to Japan and on the Barbary coast. When armed force was necessary to insure protection or exact reparation for injury to its citizens the American Government has not hesitated to use such force in the past. Indeed, the protection of its citizens abroad as well as at home is one of the fundamental functions for which governments are created.

So bitterly did the citizens of the border states

resent the failure of President Taft's administration to protect the rights of American citizens that the National Democratic Convention of 1912 included in its platform the following plank drafted by a delegate from El Paso:

> "The constitutional rights of American citizens should protect them on our borders and go with them throughout the world, and every American citizen residing or having property in any foreign country is entitled to and must be given the full protection of the United States Government, both for himself and his property."

Now note how the pledge was fulfilled. In a speech on the floor of the Senate, March 9, 1914, Hon. Albert B. Fall, Senator from New Mexico, related his experience, in seeking protection for Americans in Mexico, at the hands of Secretary of State Bryan, who figured conspicuously in the convention that adopted this pledge, and who was appointed to the highest seat in the cabinet by the president elected upon the platform containing the pledge. Said the Senator:

> "I went to the Secretary of State (Mr. Bryan) myself for the purpose of presenting to him a concrete case which occurred in the town of Cananea, where an American citizen was threatened with deportation by the so-called authorities of that

> Mexican state. During that conversation the same subject (character of American citizens in Mexico), was brought up to me, and it was stated that the Americans who were in Mexico were not Americans who were seeking to make homes there and help the country, but they were solely representatives of corporations, there for the purpose of exploiting the people, obtaining possessions, getting hold of dollars, and coming back to this country, *and that they had no right to demand protection for their property*".

Other responsible officials of this Government have since sought to justify their failure to protect the persons and property of Americans against lawless aggression in Mexico by the astounding allegation that our citizens had so conducted themselves there that they were unworthy of protection by this Government! Under such circumstances it is hardly surprising that crimes against the persons and property of Americans in Mexico, not alone by revolutionists, but also by the present recognized government, have been continued and enormously increased.

It is beyond belief that England and France would have submitted tamely to the outrages perpetrated upon their citizens if they had not been so fully occupied in fighting the German friends of the Carrancistas for the freedom of the world. The fact that in this emergency America failed

to do anything for the protection of the nationals of these two countries furnishes no very striking evidence of our inclination and capacity to discharge the duty of maintaining orderly government in the Americas, which we have sometimes accepted as a corollary of the Monroe Doctrine.

Citizens are urged by the Government to help extend our foreign commerce. No argument should be needed to prove that in order to develop commerce with a foreign country our citizens must acquire business enterprises there. Every successful commercial nation has followed that policy. The two peoples that have been most successful in developing foreign commerce in the last half century are the English and the Germans. In the case of both the most prominent factor in their success has been the acquisition or creation of business enterprises abroad. Germany's activity in this direction is shown by the fact that the alien property custodian has taken possession of German investments in the United States valued at more than eight hundred million dollars.

The attitude of the American Government, as exemplified in its dealing with Mexican affairs, is that its citizens perpetrate a great wrong against any country with which they try to develop commerce unless they expatriate

themselves and make their permanent homes there.

There was an especially good reason why Americans who went into Mexico should not give up their citizenship. While they were willing to risk their persons and the money they invested they could not be expected to forget that until Diaz established law and order Mexico had witnessed the rise and fall of seventy odd heads of government, in almost every instance as the result of a violent revolution of which the prominent feature was the looting of private property. Doubtless, Americans who cast their business fortunes in Mexico remembered the uncertainty of government during more than fifty years, and for that reason determined to maintain their American citizenship to which they might appeal for protection in the event that the Latin-Mexican element, which had exhibited its lawless greed so often, should attempt to violate their rights. That, when the day of need came for them to claim the shelter of the Stars and Stripes, its protection was denied them, is the saddest, most tragic chapter in all the history of our dealings with Mexico.

The Americans who went into Mexico upon the invitation of the government and played a great part in promoting the country's economic welfare are exactly the same sort of Americans who by the

tens of thousands have within the past two decades emigrated to the wheat lands of Western Canada. These men, confident of the sort of government that they would be given by the Anglo-Saxon race became citizens of Canada and for more than four years fought the battles of their adopted country on the western front as a part of the Canadian troops who have made such glorious history.

Before leaving the subject of the destruction by the Carranza government of the property of citizens of our allies who for more than four years fought Germany, a reference to its effect upon the war would not be inappropriate. That such effect was achieved and that it was and is seriously burdensome to the Allies is easily shown.

The demands of the war have been particularly heavy upon copper, lead, rubber, and food, and the actions of the Carranza party have had a marked influence upon the production of all of those articles. It is, of course, impossible to secure at the present time any definite comparative figures by which the destruction of the industries producing those staples in Mexico can be accurately indicated. In the latter part of 1916, certain American mining interests operating in Mexico, supposed to represent in mass about two thirds of the American mining interests in that country, com-

piled for the use of our officials some figures showing the difference between the production of certain metals in the year 1912, the year before the Carranza revolution started, and in the first half of the year 1916. Following is a tabulation of these figures:

	1912	FIRST HALF OF 1916
Ore. . .	5,180,059 tons	904,131 tons
Gold . .	252,843 ounces	39,895 ounces
Silver. .	31,892,735 ounces	6,200,339 ounces
Copper .	74,984 tons	23,156 tons
Lead . .	70,939 tons	2,928 tons
Zinc . .	46,765 tons	11,183 tons

It will be noted that the foregoing table shows a reduction in the production of two metals of prime necessity in war, copper and lead, of about 38 per cent. in the former and more than 91 per cent. in the lead production. If to the foregoing figures should be added the reduced production of the American mining interests not represented, the loss would, of course, be increased by 50 per cent.

With the present development of the auto-vehicle, rubber is an article of prime necessity, especially in war. The following table prepared by the American companies engaged in producing rubber from the Guayule shrub in Mexico compares the production of the years 1910, which

witnessed the beginning of revolutionary activities, and 1916:

PRODUCTION OF GUAYULE RUBBER

From January, 1910, to December, 1916

YEAR	POUNDS PRODUCED
1910	28,488,320
1911	24,144,960
1912	20,172,000
1913	6,177,840
1914	1,904,000
1915	5,976,007
1916	1,070,924

It will be seen that the production of this necessity for the military establishments of our country and its allies during the war was reduced by more than 96 per cent. This, however, does not tell the full story of the loss. All rubber imported into the United States from Mexico can be brought by railroad. All other rubber imported required the use of ocean tonnage which was so precious after our entrance into the war. As the result of the destruction of rubber production in Mexico, many millions of pounds, to offset the loss, had to be brought in by the use of much maritime tonnage which might, of course, have been used for other most necessary purposes.

The condition of the Mexican population, as indicated in the matter quoted from various sources, has resulted in a great reduction of food production in that country. This reduction has been so great that it was estimated about the beginning of 1918 that the United States would have to permit at least a hundred million bushels of corn to be shipped into Mexico to avert threatened starvation. In addition to this the burden of the allies who were fighting Germany was increased by the fact that at least a billion and a half dollars of the money of the United States and her allies invested in Mexico has had its earning power destroyed by confiscations and other lawless exactions of the Carranza government. Under normal conditions these Mexican investments had a very high earning power which could have borne a not inconsiderable share of the burdens of war. It must have been a matter of distinct gratification to Carranza and his pro-German associates that they were able to contribute so much to the aid of Germany and the burdens of her opponents.

But at last some, at least, of the Mexicans have awakened to an uncomfortable realization that a day of reckoning is at hand. One significant indication of this is to be found in an article published in *A. B. C.*, of Mexico City, December 14, 1918. To make the matter more interesting the article has been brought to the attention of the State

Department at Washington and of members of Congress. *A. B. C.* is the first independent newspaper of the Carranza régime. It came into notoriety at a time when one of its most prominent contributors, Licentiate Eduardo Pallares, was assaulted in a cowardly manner by a noted Mexican military chief, now at large in that city. Its editor was also brutally assaulted a few days later; and as a result of the action of the military and Germanophile Minister of the Interior the paper suspended publication. It has recently resumed publication, showing the same virility and independence as before. The leading article in the first issue after resumption began: "As we said yesterday," etc., which was the editorial way of refusing to recognize its suspension or to recant anything it had said. The article referred to of December 14, 1918 said:

> "By a strange coincidence, the triumph of the Constitutionalist Revolution in August, 1914, coincided with the beginning of a war in Europe, whose consequences and duration none could foresee, but which would certainly contribute toward a definitive change in methods of government. But peace once more has come to the world, and governments are beginning to balance their books after the outpouring of men and material that the war required. But not alone those nations that took part in the struggle are checking up their accounts after these past four years, but also those

that held aloof either through egoism or through necessity *are making up their books*, for they fully realize that the fruits of victory will be shared by all, in the measure of their deserts, and of certain special circumstances, and that the keen eye of the investigator will know how to weigh the attitude adopted by each in the war and to give to each what he deserves.

"As members, then, of *a community which must shortly be the subject of inquiry* of the chanceries of the world, our duty is to help our government in its tasks and to speak frankly, for *the day of reckoning is upon us* and we *must avoid malicious deceptions and futile excuses* which can only place our country in a humiliating position. It is preferable to fall face forward than to drop on our knees in suppliant tone.

"For four years and four months, the *Constitutionalists* in Mexico *have conducted things in total disregard for the interests of all who did not belong to the political group in power*. Not the most rudimentary principles of practical politics, nor the most elementary rules of diplomacy and courtesy stopped their action. Like the tables of proscription which gave such ill-fame to Scylla, *there were expelled from the country nationals and foreigners alike*, without regard even for the diplomatic status of some of the expelled. When *Belgium* was receiving the kindly consideration of all civilized nations for the heroic resistance she offered against the violators of her sovereignty, she *received a sample of the characteristic courtesy* which the Constitutionalists were beginning to show: *her Minister was forced to leave at the express bidding of the revolu-*

tionary authorities. Later, the representatives of other nations, *among them England, Guatemala and Spain,* also *left the country because they were held to be enemies of the revolution,* while the representative of Brazil was accused of reactionary tendencies just at the moment when he was leaving to report to the Government of the United States as to his conduct of affairs while representing this latter nation. Diplomatic amenities were dispensed with; all were treated as if Dr. Francia had held the portfolio of Foreign Affairs. And if this was the fate of representatives accredited to Mexico, what was not the lot of the *ordinary citizens of these countries, whose governments, on account of the state of war, could not give the necessary protection to their nationals?* We do not deny that in certain cases the conduct of the above-mentioned diplomatic representatives may, at times, have been irregular, but, be this as it may, the action of the Constitutionalist government was, because of its display of brute force, both unwise and impolitic. On the other hand, it is our opinion that the majority of cases of the expulsion of foreigners was justified; which was not the case, however, with that of the nationals, some of whom were driven out under most infamous conditions.

"It is proper to recall that by virtue of, 'might is right' theory, the *properties of many foreigners were seized, many of them being still administered by the government, now ruled by a political constitution which the Constitutionalists saw fit to impose upon the nation. The protests, covering each and every one of these acts, on file in our Department, will have to be drawn out of the pigeon-holes into which they have*

been relegated, in *order to be considered anew;* but *excuses and pleas will no longer avail,* for the *hour has struck and the decision must be made. What answer can be given as to the cancellation of bank concessions and the forced loans from the banks, as to the seizure of the tramways and of the Mexican railroads,* as to the *indefinite suspension of the public debt services,* as *to failure to meet the railroad coupons,* etc., etc.? We frankly do not know; but *we foresee the full weight of responsibilities,* and as Mexicans earnestly desire a solution satisfactory to our dignity and decorum. This doubt, however, assails us: *Are those who direct our destinies in these days able to settle such momentous problems?* If the group at present all-powerful in administration circles continues as it has heretofore, without new blood, without expelling from its midst the corrupt elements, we can readily give a categorical 'NO.'

"We must set down here—for this is *the gravest of all our responsibilities—our attitude during the war,* our much vaunted *nationalism* which *served as a ready pretext for several authorities to support the Germanophile press,* which favoured the election of the standard-bearer of the Teutons in Mexico as Senator for the Federal District. We must think, too, of the whole *series of irritating acts of unjustified arrogance,* of *idiotic conduct* which only the folly of several of our compatriots made possible. We must recall the withdrawal of our representative in Cuba as the first step toward carrying out a *new international doctrine.* We think of *so many and so varied proofs of leaning toward Germany* which if we were to relate them would make this article too long. Our purpose is merely to point

out to our authorities the error of their ways, so that in the days about to dawn they should not fall into the same errors, since it is unfair that the Mexican nation and people should suffer the consequences of the *mistakes, whims* and *inefficiency* of *certain, short-visioned authorities.*

"*Peace has surprised some of the leaders of* the Administration *who believed that their star would not set so soon,* that *the struggle would be indefinitely prolonged,* and that, at last, *the might of Germany would impose itself upon the world.* All *these illusions have disappeared* in thin air, and they are suddenly brought *face to face* with the *present situation.* Let them take up new positions, because the problems with which they are beset are about to be settled, *the hour of reckoning has struck,* and we must be collected in order to appear in a proper rôle. We earnestly hope for this on behalf of Mexico, so that there may not befall her, as on other occasions guilt which is solely imputable to a group of Mexicans blinded by pride and ambition."

CHAPTER V

Causes of the Evils Which Have Afflicted the Mexican People Since Their Existence as a Self-Governing Nation Began in 1821—The Remedy

NO GOOD purpose would be served by the foregoing recital of incompetence, fatuity, and crime unless it led to an understanding of the underlying causes of Mexico's woes in order that a remedy may be found and applied. A short cut to enlightenment may be found in a brief résumé of events since the patriot priest, Hidalgo, rang the *grito*, or alarm, upon the bells of his little church at Dolores in 1810 to call together a few friends to begin the revolt against the intolerable oppression of Spain which cost the mother country what had been her most important dependency in the new world for nearly three hundred years. After eleven years of conflict, in the second year of which Hidalgo paid with his life the penalty of his patriotism, Mexico, in 1821, established her independence and began her career as a self-governing nation under a form of democracy.

In the ninety-eight years that have elapsed since then there has hardly been a year, except during

the period under the ruthless rule of Diaz, that has not been marked by one or more attempts at revolution. That most of these attempts have been successful is shown by the fact that within this period Mexico has experimented with some thirty-eight different forms of government under eighty-five rules.

During the fifty-five years which elapsed between the date of her independence and the accession of Diaz to power, she had tried thirty-six of these several forms of government under seventy-five rulers. This excessive mutability in government which probably no other people on earth ever passed through can only be accounted for by the existence among her leaders of a contempt for law and order, a spirit of selfish ambition and lust for power and an absence of the restraints of patriotism and devotion to the public welfare without a parallel in history.

This contempt for law and order has affected the nation not alone through its influence on internal affairs; it has also resulted in several grave international complications.

In 1838, Mexico became involved in serious difficulty with France, arising from outrages on the persons and property of French citizens at different periods of her revolutionary history. In that year the French Government, wearied with ineffectual demands for reparation, sent a fleet of

warships to bombard the fortifications of Vera Cruz.

In 1837, at the request of President Jackson, the American Congress passed an act authorizing him to make final demand upon the Mexican Government for redress for numerous outrages that had been committed upon the persons and property of American citizens, and to use the naval forces of the United States to enforce such demand. After years of negotiation, signalized by numerous deceptions and violations of diplomatic agreements on the part of Mexico, the differences between that country and the United States were only partly adjusted and later, in 1846, became one of the contributing causes of the war between the two countries.

In 1861, Spain, France, and England entered into an agreement to take joint action to enforce certain rights which they had against the Mexican Government, and this afterward led to French intervention and the short-lived empire of Maximilian.

With the conclusion of the Maximilian epoch by his capture and execution, in 1867, the republic was again restored, with Juarez as president. In a short time his possession of the office was challenged by Diaz, who failed in his attempt to unseat him, but, later, in a second revolutionary attempt against Lerdo de Tejada, who had succeeded

Juarez upon the latter's death, he was successful and took his place at the head of the government as President in 1876.

For thirty-four years Diaz was in the actual control of Mexico's affairs, and during this period, with the exception of four years when his creature, Gonzales, was president, he was the official head of the Mexican Government. Although a number of revolutions were attempted during Diaz's incumbency, his great ability, and the stern use of force, enabled him to suppress that turbulent element which for more than half a century had been responsible for a condition of change and turmoil, and to retain control of Mexico's affairs. During this period Diaz, for the first time in the experience of Mexico as a democracy, brought order, tranquillity, and a fair amount of honesty into the administration of its governmental affairs. He addressed himself earnestly to the material development of his country and, whatever may be thought of the character of the structure that he reared, there can be no doubt that during his term of power he showed that he was a constructive statesman of great ability—a type of strong, original, and effective character rarely produced by any country oftener than once in a century or more. During his incumbency the material progress of his country was remarkable, but the beneficent results of that progress were so

unevenly distributed among the people that there at all times existed a smouldering discontent which was bound some time to result in revolt. It did so result when in November, 1910, Madero began his revolution against the man who, for so many years, had been president in name, and dictator in fact. Age had so weakened the strong man's control of affairs that, as the result of some months of activity on the part of the revolutionists, he, in 1911, resigned from the presidency and abandoned his country.

When Diaz surrendered the office of president and left the country the interest had been paid so promptly upon the national indebtedness for more than a quarter of a century that Mexico's credit was equal to that of any nation in the world. During the last few years of the Diaz administration, 36,500,000 pesos from the public revenues had been devoted to the building of great harbours and other public works, and at the date of his abdication more than 75,000,000 pesos were in the national treasury. The Mexican railroads, including those in which the government owned the stock control, were paying interest on their bonds and dividends to stockholders. Owing to the development of railroads and other public service enterprises, mining, agriculture, and manufacturing, largely by foreign capital, hundreds of thousands of Mexican labourers of the peon class were receiv-

ing much higher wages in their service than they had ever before received. Persons and property were as safe in Mexico as on any other portion of the American Continent. The old warfare between Mexican bandits and American citizens along the border, that had existed practically without interruption from 1821 when Mexico gained her independence to the accession of Diaz to the presidency in 1876, had ceased for so long that none but the oldest inhabitants on the frontier could recall the time when the Texas rangers had been organized for the purpose of dealing with Mexican raids across the border.

But, notwithstanding the fact that the administration of President Diaz had produced great development along many lines, and that a much greater degree of prosperity and comfort existed among a considerable portion of the working classes than ever before, there can be no doubt that a large majority of the labourers in the service of the great land owners were inadequately paid, as they had been since the native population was assigned to the vast estates into which the country had been divided by the Spanish conquerors. Nor can there be any doubt that the welfare of the peons, descendants of the aboriginal inhabitants, constituting 80 per cent. of the population was not looked after as humanity and a proper conception of the duties of a government to its people re-

quired. And, because it was felt that the peons had been permitted to remain in economic servitude and had been denied those opportunities for education and economic advancement to which every man is entitled, many friends of the Mexican people welcomed the success of the Madero revolution in the hope that it meant a better chance in life for the submerged majority.

But before Madero had become firmly seated in the presidency, it became evident that the old spirit of political unrest and unpatriotic lust for power and loot, which had destroyed the capacity of government for good from the date of its independence to the advent of Diaz, still existed. A half dozen revolutions were started against Madero during the first two years of his term by other ambitious leaders. This struggle for power, and the consequent opportunity of robbing both public and private wealth, resulted in the unseating of Madero before he had served half the term to which he had been elected, and the assassination of himself, the vice-president and a number of his friends and supporters.

Since the close of Madero's brief and tragic career the fact is only too plainly apparent that the unsettled conditions, with all their attendant evils, which existed previous to the Diaz period, have returned in full force. In the eight years since Diaz abandoned his office and his country Mexico

has had nine different presidents and at no time has all her territory been subject to the National Government.[1] At the present time its control is divided among a number of contenders for power and place, and the Carranza administration, which holds the largest area of the national territory, has so failed to impose its authority upon the whole, that a few months ago Mr. Cabrera, its leading official stated on the floor of the Mexican Congress that in at least five states, Carranza had no control.

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[1]PRESIDENTS OF MEXICO FROM DIAZ TO CARRANZA:

1. General Porfirio Diaz, 1873–1883; 1888–May 25, 1911.
2. Licentiate Francisco Leon de la Barra, May 25, 1911– Nov. 1, 1911.
3. Don Francisco I. Madero Nov. 1, 1911–Feb. 19, 1913.
4. Licentiate Pedro Lascurian, 7:01 p. m. Feb. 19, 1913–7:46 p. m. Feb. 19, 1913.
5. Gen. Victoriano Huerta, Feb. 19, 1913–July 15, 1914.
6. Licentiate Francisco Carbajal July 15, 1914–Aug. 13, 1914. (The presidential office was vacant for six days and the city was under the command of Gen. Alvaro Obregon. From Nov. 25, 1914 to Dec. 13, 1914 the capital was occupied by the Zapatistas.)
7. Gen. Eulalio Gutierrez Dec. 13–January 29, 1915. He acted as executive in connection with the presidency of the convention and in charge of the executive power. He abandoned Mexico City.
8. Gen. Roque Gonzalez Garza president of the revolutionary convention, succeeded as acting executive Jan. 30, 1915–May 30, 1915.
9. Licentiate Francisco Lagos Chazaro. "The sovereign revolutionary convention" decreed Lagos Chazaro successor to Gonzalez Garza and he took possession of the office July 31, 1915 and retained it until the convention was dispersed by the Constitutionalist army in October, 1915.
10. Venustiano Carranza, August 20, 1914 to Nov. 24, 1914 First Chief of the Constitutionalist army in charge of the executive power. From Nov. 24 he abandoned the capital and removed the executive office to Vera Cruz. Elected Constitutional President March 11, 1917.

Mexican finances have never been in such a disorganized condition, nor has the national credit ever been so utterly destroyed. For five years no attempt has been made to pay interest upon any financial obligations. The nation's industrial and financial institutions have been so completely wrecked and its income so recklessly and dishonestly administered, that during the last year the civilian employees of the government have been receiving only one half to three fourths of their nominal pay and many of the schools have been forced to close their doors for lack of funds to pay the teachers' salaries. The country, whose credit ten years ago was second to none, to-day cannot borrow a dollar in the money markets of the world.

At no period have the laws for the protection of persons and property been so poorly enforced as at the present time. Within the year, the newspapers of the capital city have reported that the streets were not safe for pedestrians after 8 o'clock at night, as numerous robberies were being committed, many of them by soldiers and officers in uniform. Never before has the government not only permitted, but encouraged and participated in, the lawless confiscation of private property to the extent that has characterized the course of the Carranza administration. Not for twenty-five years has employment been so uncertain and wages so low as at the present time. During the last

five years many thousands have died from starvation and the bad sanitary conditions that have resulted from the poor government, or lack of government, of the centres of population.

So numerous and so great are the accumulated evils resulting from the contests for power and pelf, which various leaders have waged for eight years, that it is no exaggeration to say that the closing years of the first century of Mexico's experiment in self-government finds the masses of her people more hopelessly wretched than they have ever been during that long period, while the country is now under the control of elements which give no promise of future betterment.

The contemplation of such a failure of a people, during nearly one hundred years, to achieve any real progress in self-government, suggests that some factor, or factors, must exist which have worked with uncontrollable power against the good, and in favour of the bad. The cause most often cited as being responsible for the failure of popular government in Mexico, and especially for the wretched condition of the labouring classes, comprising 80 per cent. of the population, is agrarian, caused by the holding of the lands in great bodies by a small number of persons and the denial to the masses of the opportunity to secure an interest in the land. Promises to amend this condition have been made by almost every one of

the more than a hundred leaders who have, in less than that number of years, begun important, and most often successful, attempts at revolution.

During the contest for Mexican independence the patriot leader Morelos recognized the need of a wider distribution of the land and made some attempt, in 1815, to allot holdings to the peons in that part of the country which the forces under his command controlled. But, notwithstanding the fact that almost every revolutionary leader who has succeeded in securing a following sufficient to unseat his predecessor and place himself at the head of the government, has announced, as a part of the "plan" upon which he founded his revolution, a determination to make provision for a broader distribution of lands to the common people, no successful and lasting effort has been made to accomplish this desirable end. All changes in land holding have been temporary and no continuing good has been accomplished. This would appear to indicate that no permanent relief of agrarian troubles can be obtained by dividing the land among a labouring class without education or means, which has for centuries been accustomed to working as employees of the property-owning class, with no experience in the control of its own labour in independent industry, and to suggest that some other and more deeply seated cause

is responsible for Mexico's utter failure in her attempt at self-government.

A somewhat extensive study of the history of Mexico has impressed me with the conviction that the basis of all her trouble is racial. Mexico is inhabited by two distinct races: one the descendants of the aborigines comprising probably 80 per cent. of her total population, who furnish practically all the common labour of the country—the "hewers of wood and drawers of water"—usually denominated "peons," and who, as a class, are uneducated and non-property-holding. The other 20 per cent. of the population are the descendants of the Latin conquerors who, beginning by monopolizing all of the landed and other wealth of the country, and possessing all of its educated intelligence, have continued to hold that position of advantage, which has made them the governing race and conferred upon them, and made them responsible for, the control of the uneducated and non-property-holding 80 per cent.

The 20 per cent. of the Latin-Mexican population, includes the half-breeds or "mestizos," variously estimated as constituting a fourth to a third of the Latin element.

A democracy, in order to be successful, must represent the will of the majority. No people can effectively participate in government unless they are endowed with a cultivated intelligence en-

abling them to arrive at informed opinions. In order that participation of the majority in the government of a democracy may be effective, the masses must be educated. In the last analysis, the chance that Mexico will ever have a government that will insure the prosperity and happiness of its citizens depends upon the capacity of the majority of its people, and that means the great peon class, to receive and profit by education. Any successful effort to arrive at a correct judgment upon the causes of Mexico's failure in self-government, and of the possibility of her achieving successful government in the future must, therefore, involve a study of the two races which compose her population.

First, the investigator must appraise the character of the minority, or Latin, race which, by virtue of its practical monopoly of property and educated intelligence, has given Mexico its government in the past, and this involves a study of the history, development and moral character of that race as it exists at present.

Second, the investigator must study the history of the peon or native Indian races which compose the great majority of the inhabitants. and appraise their character and capacity for profiting by the opportunity for intellectual improvement which a chance for popular education may offer.

Inasmuch as the Latin race is the one now in

power, and the race which has been, and will continue to be responsible for its government until the majority of its citizenship is elevated intellectually and morally by a widely diffused opportunity for education, it would appear logical to consider the history and character of that race first.

THE LATIN-MEXICAN

The Latin element was, of course, introduced by Cortez when he conquered Mexico and established over it the government of Spain. As soon as the conquest was completed, the lands were divided among the Spanish conquerors, thus establishing the holding in large tracts, by a few owners, of the national domain. A history of the occupation of Mexico by the Spaniards says:

> "Inasmuch as the Indians formed the great bulk of the Hispano-American population, the king, of course, soon after the discovery, directed his attention to their capabilities for labour. By a system of repartimientos they were divided among the conquerors and made vassals of the land holders. The capitation tax levied on every Indian varied in different parts of Spanish America from four to fifteen dollars, according to the ability of the Indians. They were doomed to labour on the public works as well as to cultivate the soil for the general benefit of the country, while by the imposition of the *mita* they were forced to toil in the mines under a rigorous and debasing system. Toil

and suffering were the conditions of the Indians in Mexico after the conquest and it might have been supposed that the plain dictates of humanity would make the Spaniards content with the labour of their serfs without attempting afterwards to rob them of the wages of such ignominious labour. But even in this, Spanish ingenuity and avarice were not to be foiled, for the corregidores in the towns and villages to whom were granted minor monopolies of almost all the necessities of life made this a pretext for obliging the Indians to purchase what they required at the prices they chose to affix to their goods. The people groaned but paid the burdensome exaction while the relentless officer, hardened by the contemplation of misery and the constant contemplation of legalized robbery, only became more watchful, sagacious, and grinding in practice as he discovered how much the down-trodden masses could bear. There was no press of public opinion to give voice to the sorrows of the masses and personal fear even silenced the few who might have reached the ear of merciful and just rulers. At court the rich, powerful, and influential miners or land owners always discovered pliant tools who were ready by intrigue and corruption to smother the cry of discontent or to account plausibly for the murmurs which upon extraordinary occasions burst through all restraint until they reached the audiencia or the sovereign."[1]

If, as has been generally agreed by sociologists, the sure revenge of the servile class is found in the

[1] "History of Nations," Vol. 22, page 104.

corruption of the master class, certainly no condition has ever existed better calculated to destroy the moral fiber of a race than the condition of the Latin element in Mexico's population, during the three centuries between the Spanish conquest and attainment of natural independence. It should be understood that in what is said concerning the character of the Latin-Mexicans, the great majority of that race is referred to. I know Latin-Mexicans who are men of ability and the highest probity and whom I am glad to call friends. But they are in a sad minority, and the very fact that they are honest men prevents their taking part in the activities of the party of robbers and violators of international law and diplomatic pledges, which now control the destinies of their country. Furthermore, the qualities of character which make them admirable have, in most instances, caused their banishment.

Occasionally the Latin race has produced a popular leader of the highest character and most devoted patriotism. There can be no doubt of the honesty and the single-minded devotion to the public good of a leader like Hidalgo but unfortunately he represents the exception; the rule has been found in such conscienceless demagogues as Santa Anna, Paredes, and Carranza, and the almost numberless leaders who have not hesitated to plunge the masses of the people into the profound-

est misfortunes in order to gratify the selfish ambition and greed of themselves and their followers.

It is worth while to remember that, with a few exceptions, every revolution in Mexico has been led by some representative of the Latin population and the members of that race have, on account of their virtual monopoly of the property and the educated intelligence of the country, always constituted the great majority of its governing element. Even during the war for freedom, the character of this element was illustrated by an incident which occurred in the fourth year of that contest. After Morelos had succeeded Hidalgo as the leader of the revolutionary forces, in an effort to establish some form of regular government he summoned a national congress which he intended to be "a source of union to which his lieutenants might look as to himself in case of accident." This congress was necessarily movable because it had to follow the patriot army. It was not only dependent upon the revolutionary forces for protection but also for sustenance, inasmuch as it was enabled to exist only by revenue secured by the armed forces. Shortly after the capture of Morelos by the Spanish forces, and Don Manuel Teran had succeeded him in command the congress enacted laws appropriating eight thousand dollars a year as a salary for each of its members and taking the management of the public funds

from the military commander and placing them in the hands of its own officials; thus making the commanding general, to whom congress owed not only its protection, but its very livelihood, a mere dependent upon its authority. The congress was promptly dissolved by General Teran who said: "That instead of attending to the interests of the people its members were occupied in taking care of themselves and calling each other excellentisimos."[1] The same historian, in describing Mexico's eleven years' struggle for freedom, is compelled to note the evil results to the patriots' cause of the selfish ambitions of individual leaders and he says, in speaking of the condition of the revolution in 1817, the sixth year of its existence:

> "There was no longer among the insurgents any directing power to which the various chiefs would bow; each was absolute over his own followers and would brook no interference on the part of another leader; a combination of movements among them was rendered impossible by mutual jealousies and mistrust. Under these circumstances rule became a series of contests between the local authorities and hordes of banditti; and the wealthy and intelligent part of the population began to look to the standard of Spain as the symbol of order." [2]

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[1] "Mexico and Her Military Chieftains;" Robinson, pages 57: 220.

[2] "Mexico and Her Military Chieftains;" Robinson, page 74.

That the character of the Latin leadership did not improve is shown by the fact that within less than two years after Mexico became independent, the leader who had contributed most to that result, General Iturbide, attempted to destroy all elements of democracy in the government and, for a short period, made himself emperor. Upon his removal by a revolutionary movement, still headed by the Latin element, General Victoria was made President. Of the administration of the first regularly installed head of the Mexican government as a democracy, the historian says:

> "During the administration of Guadalupe Victoria little was done to bring Mexico to that state of quiet and security so indispensable for the happiness and advancement of a country. The finances were badly administered and peculation was openly practiced in every direction."[1]

We have seen how one revolutionary leader after another achieved power and was in his turn displaced by a succeeding revolution, so that a historian writing of the condition of the country a few years after it had achieved its independence said:

> "We have now to trace a sad descent. We are to see the people gradually becoming corrupt, until

[1] "Mexico and Her Military Chieftains;" Robinson, page 144.

they appear almost to lose the faculty of distinguishing right and wrong. We are to watch the course of its principal men, see them become gradually more depraved and cease at last even to pretend to virtue. We shall see the treasury looked upon as spoils and proclaimed as an inducement to win partisans." [1]

Another historical writer, in an effort to explain the action of Iturbide in endeavouring to establish a royalist government in Mexico, says:

"It is probable that his penetrating mind distinguished between popular hatred of unjust restraint and the genuine capacity of a nation for liberty, nor is it unlikely that he found among his countrymen but few of those self-controlling, self-sacrificing and progressive elements which constitute the only foundation upon which a republic can be securely founded." [2]

The thought most strongly impressed upon the mind of any student of Mexico's efforts at self-government is that, while its leaders have produced declarations of principles, or "plans" as they are called in revolutionary phraseology, which proclaimed in the most fervent language, unqualified devotion to the national welfare, the word "patriotism," as used by them, does not connote

[1] "Mexico and Her Military Chieftains;" Robinson, page 150.

[2] "History of Nations," Vol. 22, page 255.

that capacity for self-sacrifice, for sinking of all selfish interest, and devotion to the public good that it means when used on this side of the Rio Grande. In short, it may be truthfully said that nowhere in the world has Doctor Johnson's famous definition of patriotism as "the last refuge of a scoundrel" been so fully realized as among the Latin-Mexican governing class.

The French sociologist, Gustave le Bon, as the result of his study of the influence of the Latin element on government in the Americas, says:

> "In general and fundamentally the political problem of the Latin-American democracies is the problem of public thieving."

This expression, as applied to all Latin-American republics, may be too broad, but it certainly does no injustice to the record made by the Latin element in Mexico.

An educated and public-spirited Latin-Mexican, Francisco Bulnes, who for many years was prominent in the political, industrial, and literary life of his country as a member of its Senate and House of Representatives, a civil and mining engineer, the head of various civic commissions, an editor of important periodicals and a profound student of Mexican affairs, has recently published a book entitled, "The Whole Truth about Mexico."

While this book reflects the bitterness of feeling, disgust and despair that may be natural in a patriot witnessing the frightful ruin wrought by the evil ambitions of some popular leaders and, therefore, may appear extreme in some of its statements, there can be no doubt that the intelligence and opportunity for knowledge which its author possessed make him an authority upon conditions in Mexico and give special value to his appraisal of the human element as it is reflected in the government of that unhappy country. Bulnes, in explaining the causes which have led to Mexico's utter failure in self-government, says:

"Unfortunately, it is a fact that the ideal of the middle-class family is to be part of this bureaucracy and that the ideal of the bureaucracy is to rob the union and individuals whenever possible. The mother is no longer the just matron who shed the radiance of her virtue over the home and reared men for God, country and humanity. In these days there are mothers who urge their husbands, sons, sons-in-law, and brothers to steal from their country. Sons are reared with this idea and it is carried to the point of inculcating that this public theft is a legitimate necessity, that it is an art, a sign of distinction. The result of this schooling in depravity has been that the lower classes have had this baneful example before their eyes for many years, which has destroyed the slender thread of civic virtue possessed by them at the time of the declaration of independence. It also threatens to

destroy all personal virtue, because it goes without saying that a home which is a den of thieves cannot be the nursery of virtue and morality."

And again, in describing the spirit of public plunder which has actuated what the author refers to as the bureaucratic element, composed of those who serve their country in official positions, he says:

"In all the homes of bureaucrats, mothers, aunts, wives, sons and daughters, servants and friends advised the head of the house to 'do business' with the government; if they were employed, even more so. 'Doing business' with the government meant, of course, stealing. They were advised to take everything on contract, from laying fifty thousand kilometers of railroad to removing the trash from public office, all to be manipulated so as to redound to the personal benefit of the contractor. If it was not possible to obtain contracts, the judges ought to steal sentences; the court secretaries the papers bearing on the case; the clerks, the public trust; the chiefs of departments, the office furniture, the hospital supplies, the prison food, the arms and ammunition of arsenals; they should rob the troops of their pay; impose fines upon all; steal justice under any form; steal wholesale and retail; steal even the ink stands, pencils, paper, typewriters, and typewriter ribbons,—in a word, everything that could be taken ought to be taken, however low and

[1] "The Whole Truth about Mexico;" Bulnes, page 27.

unethical the means employed to accomplish it might be. * * * The passion for stealing was so ingrained that it became the life and soul, the warm, coursing blood, the master passion of the nation."

This dark picture would appear incredible if we did not find it repeated by various authorities and if we did not see it being reënacted with its darkest shades accentuated by the looting that characterizes the government which has been recognized by the United States. The story of Carranza has been written from day to day in the columns of Mexican newspapers, in the discussions in congress, in the operation of public utilities, such as the national railroads, where plunder, rather than public service, have been the end achieved by public officials. It must be always borne in mind that when the government of Mexico has been mentioned, government by the Latin minority race is always referred to. The bureaucrats denounced by Bulnes, the army paymasters who have robbed their pay chests, the railroad superintendents who have demanded bribes for transporting merchandise, the army officers who have been found selling the munitions placed in their hands by the national government to the

[1] "The Whole Truth about Mexico;" Bulnes, page 149.

various bandit forces, are nearly all members of the governing Latin element.

All this constitutes a discouraging picture which would be without a ray of hope for the future if we could not discover in the 80 per cent. of the Mexican people who are descendants of the aboriginal inhabitants, some qualities which, if encouraged and developed, might promise to furnish that moral element which, so far, has been conspicuously lacking in the great majority of the Latin population and which must be brought out if popular government is ever to be made successful. So the investigator must turn to the peon element.

The Native Mexican

When Cortez conquered Mexico, it was occupied by a number of distinct families, or tribes, so that the learned Mexican, Orozco y Barra says there were eleven distinct language families, comprising thirty-five idioms and eighty-five dialects. The most important of these tribes or families were the Aztecs and probably next in importance the Tezcocans.

The Aztecs, while not in complete control of the area which now composes Mexico, were the dominant power of the table-land and had their great capital city in its central valley. As nearly as can be learned, they occupied the country in A. D.

1325 and were, previous to that time, nomadic in their habits.

The Tezcocans occupied a portion of the great central valley and appear to have marched with the Aztecs in their development of civilization. The descendants of both the Aztecs and Tezcocans, together with those of all other native populations, have come to be referred to as Indians or peons, and have, since the Spanish occupancy, constituted the common labourers of the country. These two great races had proved their native intellectual power by developing a civilization between 1325 and 1519, when the Spaniards under Cortez first introduced them to the old world, of which Prof. Thomas Wilson, the ethnologist, says:

> "The culture of the aborigines occupying Mexico and Central America was of a totally different character from that of the other aborigines of North America. They were sedentary, agricultural, religious, and highly ceremonious; they built themselves monuments of most enduring character, the outside of the stone walls of some of which were decorated in a high order of art, resembling more the great Certosa of Pavia than any other monuments in Europe. The mounds for ceremony or sacrifice were immense. The manufacture and use of stone images and idols was extensive and surprising to the last degree. The working of jade and the extensive use thereof surpasses that of any other locality in prehistoric times. Their pottery excites

> our wonder and admiration; some specimens for their beauty, their elegance of form, and fineness of decoration; other specimens of idols or images are astonishing on account of the precision of their manufacture and the difficulty of its accomplishment by hand."[1]

The material progress of the aborigines was shown not only by their architecture and manufacturing, but by the extent to which they had developed horticulture and agriculture, as witnessed by the descriptions of the exquisite pleasure gardens and parks surrounding the residences of the kings of the country and their nobles.

Prescott describes with much enthusiasm the system of laws which these people had established and the judiciary they had organized for enforcing them. And when Prescott, writing of the crime of larceny, says: "Yet the Mexicans could have been under no great apprehension of this crime, since the entrances to their dwellings were not secured by bolts or fastenings of any kind," he mentioned the quality which differentiated the native Mexican from the descendants of the conquering Latin race more clearly than does any other racial characteristic.

They had created a highly developed machinery of government, with systems of public revenue, of

[1] "History of Nations," Vol. 22, page 80.

military and civil service, and had developed a method of recording, in permanent form, not only the history of their country, but the daily transactions of business and government.

The work of their artisans in metal was described by their Spanish conquerors as exquisite in its artistic perfection and the few examples of it still remaining in European museums bear out the truth of this description.

The intellectual advance of the people is well demonstrated by the fact that their astronomical researches and development of the science of mathematics had enabled them to devise a calendar more accurate than that which Imperial Rome possessed in its proudest days.

While most of the literature which the native races had placed in permanent form was destroyed through the narrow superstition of their Spanish conquerors, a few examples have been preserved which indicate not only a high degree of mental refinement but a very elevated code of morals.

Any one who has read the translation of the poem of a Tezcocan king, and the letter of advice of an Aztec mother to her daughter, contained in the appendix of Prescott's "Conquest of Mexico," must have a high idea of the intellectual and moral qualities of a people capable of producing such expressions of elevated thought. And there appears to be no doubt that the civilization of the

Aztecs and Tezcocans had spread until it existed in a greater or less degree throughout all the country which we now know as Mexico.

That people of the character of the native races of Mexico as described by historians should now be represented after four hundred years by those whom travellers know as the ignorant and often brutalized peons, would seem incredible were it not that the world has had such terrible and pitiful examples of the power of injustice, wrong, and oppression to produce racial disintegration and degradation.

It is an historical fact known to students of sociology that the servitude most destructive of the physical, moral, and intellectual qualities of its victims is economic and industrial rather than chattel. It has been often said that the chattel slave finds protection in the fact that he stands as the representative of a certain amount of property or wealth to his master, while the economic slave represents to his employer, if he be unrestrained by the prickings of conscience, only the labour that can be obtained from him. As illustrating this, it may be said that probably no owner of chattel slaves ever treated them so harshly as some mill owners of England who chained children to spinning and weaving machines, so that they could not flee from the torment of their occupation, before England became wise enough to protect her people from such conscienceless exploitation.

Prescott has made sympathetic note of the effect of the tyranny of the conquering race upon the native races of Mexico. He says:

> "Those familiar with the modern Mexican will find it difficult to conceive that the nation should ever have been capable of devising the enlightened polity which we have been considering. But they should remember that in the Mexicans of our day do they see only a conquered race as different from their ancestors as are the modern Egyptians from those who built,—I will not say the tasteless pyramids,—but the temples and palaces whose magnificent wrecks strew the borders of the Nile at Luxor and Karnak."[1]

The account of the industrial slavery of the aboriginal Mexicans contained in the historical quotation appearing in part first of this chapter goes very far toward explaining their racial degradation.

That the account quoted of the treatment of the aboriginal Mexican population by their Latin masters is no different from that which would be found in any honestly written history of Mexico, and that the conditions described have continued since the end of Spanish control to the present time, is shown by the following, taken from Mr. Bulnes's book:

> "The planters have been accused of treating their Indian servants with haughtiness and disdain.

[1] "Conquest of Mexico"; Prescott, Book 1, Chapter II.

It is true, but what the accusers conceal is that the bureaucrats, political and non-political, have ever accorded the same treatment to the Indian. It is only the demagogues who love, venerate, exalt, and protect them in their harangues, when they think it will help to secure their votes or obtain universal applause, bringing them favourably before the public and making them feared by the government. Even the most ragged, unwashed, vicious loafer of the cities assumes an air of superiority and the tone of a potentate toward the unfortunate Indian. The best proof that all Mexico looks upon the Indian as an inferior, is that every one addresses him in the familiar form of 'tu' (which expresses confidence and affection when addressed to an equal, but condescension when directed toward an inferior), and that every one orders him about as though he were a slave. This attitude of imaginary superiority is not found exclusively among the Mexican creoles and mestizos, but in every part of Latin America where there are domesticated Indians. We do not have to go further back than forty years to find the time when the population was divided into *'gente de razón'* (rational beings) and Indians; and at the present time the population of mestizos is designated *'gente de razón'*, in contradistinction to the Indians."[1]

Most interesting and enlightening evidence of the way in which the so-called democratic government of Mexico, as controlled by the Latin element representing the employing interests, has exploited

[1] "The Whole Truth About Mexico"; Bulnes, page 74.

the peon population by legislation is shown in its dealing with what was known as the Ejidos lands.

Before the advent of the Latin in Mexico and since, many of the labouring class lived in small settlements or villages. To these villages, from Aztec times, appertained certain areas known as Ejidos lands, which were the common property of all. Upon these village commons the peon could have a garden, or maintain a few goats or fowls. This small opportunity of contributing to the family livelihood relieved him from absolute economic dependence upon the employer upon whose great estate he worked.

Some years ago a law was passed by the Mexican Congress under the provisions of which the common lands, the use of which the villages of peon labourers had enjoyed for hundreds of years, were sold and became the property of the employing class. Thus was destroyed by act of the national government the last refuge which the peon had from absolute economic exploitation by the employing class.

But hope can be found for the future of the masses under the stimulus of proper opportunity for intellectual development in the fact that through the darkest experience of their night of servitude and degradation, individual members of the race have shown more than ordinary ability. An instance of this is found in the historical work

of Ixtlilxochitl, often referred to and quoted by Prescott. This historian, who had produced a most interesting and authoritative account of his people, was a descendant of the royal family that furnished the kings of Tezcoco.

The fact that Mexico's most talented painter was a pure-blooded Aztec, would seem to indicate that the race has not lost the capacity for artistry as expressed in some of their creations which appealed so strongly to the admiration of their Spanish conquerors.

I was much interested in an account by Mr. E. L. Doheny, who first discovered and developed Mexico's great petroleum deposits, of his experiences with the common labourer. Mr. Doheny, being a man of warm humanitarian impulses, decided that it was his duty so to manage his Mexican enterprises that they should contribute as much as possible to the comfort and well-being of the common people. As one means to that end, shortly after he first began work in the oil fields nearly a score of years ago, he secured numbers of peon boys who were given a careful apprenticeship in the mechanical department. He assured me, with warm expressions of gratification, that these boys developed into mechanics of the highest order, so that he was finally able to entrust to them important mechanical work of his great plants, some of which required a very high type of skill.

The most brilliant and interesting example of what the native Mexican can do when he has an opportunity for mental development is afforded by Juarez, a pure-blooded descendant of aboriginal ancestors, a lawyer by profession, who in the course of his career demonstrated himself to be a leader of great ability and a true patriot.

Almost without exception, foreigners who have had years of experience in employing Mexican labour have testified to the moral character, the loyalty to his employer, and fidelity to his duties, exhibited by the peon when he has not been corrupted by the evil influences of the Latin element.

As the result of careful investigation and observation, I hope and believe that if the descendants of the aboriginal Indians of Mexico should ever have accorded to them a full and free opportunity for intellectual and moral improvement, they may be made an element in the citizenship upon which a successful democracy may be founded; but I am forced to the conclusion that, so long as the Latin element is in power, this opportunity will never be conceded to the majority race.

A somewhat extensive reading of history has failed to show an instance in which a country occupied by two distinct races, with the minority race in control by reason of its possession of the property and educational opportunities, a government fair

to the majority has ever resulted. Students who are interested in this phase of government will find a striking parallel between the history of Mexico during the four hundred years that her territory has been occupied by a majority aboriginal race, and a governing minority alien race, and that of Egypt, during the more than twelve hundred years since that country was conquered by the Mohammedan Arabs. When this race conquered Egypt, they became the possessors of its land and of what educational opportunities existed, and thereby became the governing element, although they were always much in the minority.

The majority native race became the labouring class, commonly known as the fellaheen—the hewers of wood and the drawers of water for the governing class. This condition continued for about nine hundred years until the country was conquered and its government taken over by the Turks. Afterward the Turks, associated with the Arabs, who were of the same religion, continued to be the governing element, with the fellaheen majority still continuing to furnish the common labour of the country. Just how this minority of property-owning and educated aliens controlling the non-property-owning majority of the native race has worked out for twelve hundred years, is shown in a most interesting way in Lord Cromer's great book "Modern Egypt." We find there the same

conditions appearing to result from the corrupting influence of the servile majority working upon the moral character of the governing minority, that we have found in the history of Mexico.

For more than twelve hundred years the government went from bad to worse in corruption and inefficiency until, finally, it became necessary for an alien country, England, to assume control in order that it should be made to discharge its international obligations and, at the same time, give a chance in life to the submerged majority. And there can be no doubt that since the English have controlled the Egyptian government, the fellaheen, for the first time in more than twelve hundred years, have had something approaching a fair chance in life. During all that period and until the control of England was established, the fellah, who worked the lands and furnished practically all the other common labour, was the economic victim of his Arabian and Turkish masters. He was given of the results of his labour barely sufficient to sustain life; he was denied every opportunity for economic or intellectual improvement, and he became largely what the Mexican peon, under the economic rule of his Latin masters, is to-day. Under the control of the English administrators he has, for the first time, received something more than a bare living as the result of his industry and, by the extension of popular education, is beginning

to receive those opportunities for intellectual improvement which will eventually make him a man among men and qualify him to take a part in the government of his country.

Every student of Mexican affairs can read with much advantage Lord Cromer's work, especially Book IV, in which the story of the effect of the government of an alien minority upon the native majority of Egypt's inhabitants is told.

The evidence of Mexican history, during the four hundred years in which that country has been controlled by an alien minority race, corroborated by the example of every other country in which similar conditions have existed, admits of but one conclusion; namely, that the ultimate salvation of Mexico depends upon its majority race being elevated and improved by a broad and effective scheme of popular education, and also by a chance for the betterment of its economic condition, which can only be afforded by an honest and efficient administration of its government.

How these conditions may be brought about is the vital problem for which a solution should be found. That we cannot depend for it upon the Latin-Mexican element which has misgoverned Mexico for four hundred years would seem to be evident. We have seen by the testimony of historians of the past, and observers of the present, what has been and is the fate of the peon element

composing 80 per cent. of the population at the hands of the governing minority.

The stories told by representatives of the Red Cross and other recent observers, as quoted elsewhere in this volume, seem to show that nearly a century of so-called "popular government" in Mexico has left the condition of the peon very much where it was when the government of Spain ended. During that period he has been appealed to for his support by more than a hundred leaders of revolution and each appeal promised him an amelioration of his condition. That the promises have not been made good by the last revolutionary leader, the Latin-Mexican chief of the party now in power, appears to be very fully established by evidence that cannot be disregarded. Looking back from his present pitiful condition, through the history of four hundred years, the peon can say with Prometheus:

"No change, no pause, no hope! Yet I endure."

I cannot believe that the salvation of the Mexican peon can be brought about in any way other than that in which corresponding changes have been wrought in other countries similarly situated.

What Mexico needs, and what I believe she must have, is the intervention in her affairs of some saving power such as England has afforded to Egypt and our own nation has afforded to the Philippines, and to Cuba, in a degree, under the authority of

the Platt Amendment. I had hoped that when the so called "A. B. C. Conference" of the diplomatic representatives of Brazil, Chile, Argentina, Bolivia, Uruguay, Guatemala and this country met to consider the fate of Mexico it would by concert of action originate some such movement to rescue twelve millions of people from a condition which has for so long been a disgrace to our common humanity. I had hoped that the peons would be given that chance in life which every man should have but which they never have had, and never will have at the hands of the governing element of their country if we are "to use the history of the past as a prophecy of the future." In saying this I realize fully that I am challenging the convictions, or the prejudices, of a great many people. For myself I can say that I am expressing a conclusion which I have endeavoured to avoid but which a conscientious study of Mexican history and conditions, with the sole desire of arriving at the truth, has forced upon me.

If those who resent this conclusion would be better satisfied by continuing conditions in Mexico that have produced, and are producing, so much agony to so many human beings, they probably will be gratified, for there does not now appear to be any prospect of the sort of intervention in Mexico's affairs which I am forced to believe will be necessary before any permanent amelioration

of the condition of the unfortunate masses can be achieved.

But this need not, and should not, interfere with some effort to better the condition of those victims of Mexican misrule who are citizens of other countries, most largely of our own. It is not necessary to establish by argument the correctness of the definition of our country's duty to its citizens living or having interests in other countries as that duty has been expressed in a hundred declarations from our Department of State, and never more fully, or correctly, than by the plank of the Democratic National Platform of 1912, already quoted. That our Government, since the revolutionary conditions in Mexico began nearly eight years ago, has not discharged that duty to our citizens having interests in Mexico nothing but the letter of our Secretary of State, quoted in Chapter IV, preceding, is needed to show. As a reason for this failure we have been told that it was our duty to show patience and forbearance in our dealings with Mexico with the hope that such an attitude would be rewarded by such changes as would give to the unfortunate majority of her people a government such as they had not had for four hundred years. There can be no doubt that officials in Washington who have dictated our policy with reference to Mexico believed this and were actuated by motives of what they conceived to be the highest humanitar-

ianism. But surely, before the lives and rights of so many American citizens were risked, our officials should have made a careful effort to judge whether or not there was any reasonable indication that the element in Mexico which they were indulging, at so much cost to American citizens, could reasonably be looked to for the accomplishment of the humanitarian desires which inspired them. If those officials had realized that the element to which they were extending an indulgence so costly to many of our people had been responsible for Mexico's misgovernment for nearly a century, they certainly would have hesitated before staking so much upon the possibility of this element giving to Mexico a better government than it had ever before given.

It will not do to say that the Carranza revolutionists expressed aspirations and intentions for the government of their country of the most exalted kind. History shows us that nothing is more characteristic of the Latin-Mexican element than the use of high-flown language in the declaration of their intentions where the government of their country is concerned. And the same history shows us that, during the ninety-eight years of the control of popular government by this same element, more than a hundred leaders of revolution have pledged their duty to their country in language as fervent and eloquent of patriotism as any

that the authors of the "Plan of Guadalupe" used in making pledges which they afterward promptly violated when trusted with the government of their country. Readers of history will recall the fact that Santa Anna, who was probably the most perfect demagogue ever produced in Mexico, embodied his pledge of duty to his country, and of sympathy for her unfortunate masses, in language as eloquent and high-flown as any ever used in the *pronunciamientos* of that country's numberless revolutionary leaders. As a result of his eloquence and of the fact that he had lost a leg in the French bombardment of Vera Cruz, he succeeded in inducing his people to call him to the chief place in their government three separate times, and each time he signalized his election by promptly betraying the people whom he had pledged himself to serve.

Certainly our government officials must see by this time how utterly false and hollow have been all the pledges made by the party now in power in Mexico, both to its own people and to the nations of the world. If this demonstration has been made, then the question would seem to arise: Is it worth while to continue to sacrifice the rights of our citizens for a consideration which we ought to know by this time will never be delivered? If, as a people, we feel that we have no right to interfere to protect the vast majority of

the Mexican people from the long agony inflicted upon them by a minority of their countrymen, surely we have the right to intervene to protect our own citizens against the same criminal minority.

That right we have abrogated for nearly eight years, but there is yet time to accomplish a great deal that justice, to speak nothing of humanitarianism, would appear to call for if we would cease to expect at the hands of the dominant class of Mexico the justice for the masses which we humanely desire, and insist upon the sort of government *which the rights of our citizens demand.*

In doing this we will be rendering a sort of service to the unfortunate masses of Mexico. If, when the spirit of loot and robbery began to assert itself as a part of revolutionary conditions nearly eight years ago, we had said to the Mexican leaders: "You can kill and rob each other to your hearts' content; for we have no right to dictate what your actions shall be so long as they concern only yourselves, but if you invade the personal or property rights of any American citizen, we will use the whole power of our great nation to see that the offender is punished," we would not only have been rendering a proper service to our own citizens but a very humanitarian service to hundreds of thousands of Mexican workmen who were engaged in serving American enterprises in their country.

That such an attitude upon our part would have prevented most of the evils which our people have suffered at the hands of revolutionists no one who knows the character of the Latin-Mexican leaders can have any doubt. The Latin-Mexican recognizes *force* as the only influence that can control his actions. He has no conception of, and no respect for, any other influence. Like his brothers, the Bolsheviki, the I. W. W., and the Germans, he cannot understand the failure or refusal to use force to accomplish a purpose if it is at command.

By the policy that we have adopted we have not only encouraged every sort of offense against our own people but we have also encouraged the destruction of business enterprises in Mexico owned by our citizens and those of our allies upon which hundreds of thousands of the peon element of that country depended for a living. In addition to that, we have, as we now must know, by every encouragement and assistance that we have given the Carranza element, to that extent assisted in delivering the unfortunate masses of Mexico into the hands of the class which is now, as it always has been, their worst enemy. In a well-meant effort to serve these unfortunate people we have actually assisted in imposing famine and death upon thousands of them.

In truth, the result of our handling of the Mexican question during the past eight years, and the

effect upon the masses of the people, who appeal most to our sympathy, of what we have done, emphasize the wisdom of the saying that "sympathy without understanding is never effective and often dangerous."

Certainly the results of our efforts to help the greatest sufferers in Mexico have not been such that we can point to them with pride or satisfaction. We have helped to destroy hundreds of American lives and hundreds of millions of American property. We have also assisted in turning the government of Mexico over to a party which is destroying the lives of thousands of its own people and confiscating, and spending in vicious and immoral living, the property of other thousands.

Would it not be better now for us to go back to the idea of doing our simple duty to our own people and leaving the Mexicans to their own devices, if we feel that we are not warranted in rescuing the suffering masses of them from the criminals who are imposing upon them so many of the miseries of "self-government" as it exists in Mexico?

APPENDIX I

THE GENERAL LAW FOR THE CONSTRUCTION OF INTERNATIONAL AND INTER-OCEANIC RAILWAYS

Ministry of Public Works, Colonization, Industry, and Commerce of the Mexican Republic.

SECTION III

The President of the Republic has directed to me the following Decree:—

Porfirio Diaz, Constitutional President of the United States of Mexico, to the inhabitants thereof: Know ye—

That the Congress of the Union has enacted the following:—

The Congress of the United States of Mexico enacts:

Only Article. The Executive is authorized to reform the contracts which he has celebrated for the construction of international and interoceanic railways, and to celebrate new ones with another or other companies, which may present themselves, granting in each case a concession, without comprehending the arrangement of the English debt, upon the following bases:—

1st. The concession or concessions shall be in force not more than ninety-nine years, and shall contain clauses relative to the reversion of the road to the nation free of all incumbrance, at the end of the term stipulated.

2d. The contracts shall be subject to the conditions already agreed, and the reforms already accepted by the soliciting companies, without modification, except to the advantage of the nation.

3d. In order to treat with the companies, the Executive shall require previously guarantees and securities suitable to compel the execution of the enterprise. The greatest advantages which relatively any company offers in favour of the country shall bind the others. Upon those points, the Executive shall hear the opinion of the Attorney-General, which functionary shall give it in writing, within ten days, which having passed the Executive shall decide upon what is proper.

4th. The international and interoceanic networks shall be divided into sections for the purpose of contracting for one or more (sections) with each company which has complied with the preceding requisites.

5th. The maximum of the tariffs shall not exceed in any case the following figures:—

For each ton of freight of 1,000 kilograms of merchandise, and for each kilometre of distance:—

First Class	$0.06
Second Class	0.04
Third Class	0.02½

Passengers per kilometre:—

First Class	$0.03
Second Class	0.02
Third Class	0.01½

Warehousage

For each 100 kilos or for each fraction of the same per day $0.00½.

The tariffs shall be revised every five years, the Minister of Public Works having power to reduce them in accord with the company; but in no case shall there be any right to advance the same beyond the maximum prefixed.

The application of the tariffs shall always be made on the basis of the most perfect equality, the company not being able to concede to any one any advantage which it does not give to all who are in the same circumstances.

6th. The mails shall be carried free, during the life of the concession.

7th. The companies shall be considered Mexican in all which concerns their relations with the government and the rights and obligations stipulated in the respective concessions.

8th. The Executive shall fix in the manner most convenient the terms of payment of the subsidies.

9th. The Executive, in making use of this authorization, shall not prejudice the rights acquired by the States in virtue of former concessions.

10th. The concessionary companies, in case they can acquire them, shall utilize the lines which have been constructed upon the route adopted by them. Otherwise they may construct parallel lines. In either event, they shall not receive more than the excess of their own subsidy above that of the line already constructed.

11th. The forfeiture of any concession having been decreed the nation shall acquire the ownership of the part of the way constructed free from all encumbrance and at a valuation fixed by experts named by the Executive and by the company.

From this valuation shall be deducted the amount of the subsidies paid to the company, and for the remainder the Executive shall emit obligations secured

by a mortgage of the road, which he may transfer by means of a new concession.

The rate of interest which the obligations may bear, and the manner of retiring them, shall be fixed in each concession.

12th. These authorizations shall be in force during the time of the recess of Congress, at the end of which the Executive shall give an account of the use which he has made of them.

. . . . . .

Given in the Palace of the Executive Power of the Union in Mexico, on the 1st of June, 1880.

PORFIRIO DIAZ.

(Translation, from "Mexican Central Railway Co., Limited.")

Department of State and of Public Works, Colonization, Industry, and Commerce of the Mexican Republic.

(Extracts from Contract between Manual Fernandez, Chief Clerk of the Department of Public Works, in representation of the Executive of the Union, and Sebastian Camacho and Ramon G. Guzman, in representation of the Mexican Central Railway Company, Limited, for the construction of two railway lines, one from Mexico to the Pacific Coast, and the other from Mexico to Paso del Norte).

CHAPTER I. Construction of the Railways.

Article 1. . . .

At the end of the ninety-nine years of the grant, the line will pass, in good condition and free of debt, to the

control of the Republic; but the Government shall purchase all the stations, warehouses, work shops, rolling stock, tools, furniture, and fixtures which the Company may have for the use and operation of the road, and shall pay in cash the prices of said stations, storehouses, workshops, rolling stock, tools, furniture, and fixtures, fixed by two experts, one named by each party, and a third previouslv appointed by those two to act in case of discord.

If the Government thereafter wishes to rent or sell the line the Company will be entitled to preference. . . .

. . . . . .

Article 5. . . .

An engineer will be appointed by the Executive to accompany each party of surveying engineers. The salary of said engineer will be fixed by the Executive and paid by the Company, said salary not to exceed $4,000 per annum.

. . . . . .

CHAPTER II. Basis of the Company.

. . . . . .

Article 13. . . . Within six months from the date of this contract, a part of the Board, consisting of five directors, shall reside in Mexico. Of these, two shall be appointed by the Government, and three by the Company.

The Directors named by the Government may reside in Mexico or abroad.

The salaries of the Directors named by the Government shall be fixed by the Executive and paid by the Company, and shall not exceed $3,000 per annum.

CHAPTER III. Concessions and Prohibitions.

. . . . . .

Article 21.

To aid the construction of the lines of railroad and telegraph to which this contract refers, the Government binds itself to give to the Company or Companies a subsidy of $9,500 for each kilometre of the road constructed and approved by the Department of Public Works, according to the terms of this law. This subsidy shall commence to be paid after the completion of the first one hundred and fifty kilometres on the line from Mexico to Leon, and successively for each section of twenty-five kilometres.

On the section from Mexico to Huehuetoca, and from Celaya to Irapuato, and generally on all the narrow gauge lines already built, and which, according to Article 52, may be acquired by the Company or Companies the Government shall only allow a subsidy of $1,500 per kilometre.

. . . . . .

Article 27.

The Mexican Government will exact no taxes which are not expressed in the following article, for the simple traffic of passengers, correspondence, and merchandise, over the international and inter-oceanic lines during the period of twenty-five years, counting from the conclusion of each one of said lines; and all effects and merchandise destined solely to traverse the road, and not for consumption in the country, shall be free from every kind of customhouse and port duties as well as from taxes and imposts of every class.

APPENDIX II

UNION AND CENTRAL PACIFIC RAILROADS

Line of Road.—Omaha, Neb., to Ogden, Utah (Junction C. P. R. R.). 1032 miles.

The Acts of Congress (approved July 1, 1862, and July 2, 1864) incorporating the company provided for a government subsidy equal to $16,000 per mile for that portion of the line between the Missouri River and the base of the Rocky Mountains; $48,000 per mile for a distance of 150 miles through the mountain range; $32,000 per mile for the distance intermediate between the Rocky and the Sierra Nevada range; $48,000 per mile for a distance of 150 miles through the Sierra Nevada. The whole distance, as estimated by government, from Omaha to the navigable waters of the Pacific, at Sacramento, California, is 1,800 miles. The company has also a land grant equalling 12,800 acres to the mile. The original act provided that the government subsidy should be a first mortgage on the road; but by a subsequent amendment it was made a second mortgage—the company being authorized to issue its own bonds to an amount equal to the government as a first mortgage on the line. The original act provided that the charge for government transportation should be credited to it in liquidation of its bonds; and that in addition, after the road should be completed, 5 per cent.

of the net earnings should also be applied to the same purpose. The act was subsequently modified so as to allow the company to retain one half of the charge of transportation on government service, as the cost of the same, and also relieves the company from paying the 5 per cent. of net earnings.

(A claim having been made by the Secretary of the Treasury of the United States, that the company was bound to pay the interest on the bonds issued by the government to aid in the construction of the road, and that the whole charge for government transportation was to be held to be applied to such interest, Congress, by an amendment to the army appropriation bill which passed March 3, 1871, provided, "that, (sec. 9,) in accordance with the fifth section of the act approved July second, eighteen hundred and sixty-four, entitled 'An act to amend an act entitled an act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the government the use of the same for postal, military, and other purposes', approved July first, eighteen hundred and sixty-two, the Secretary of the Treasury is hereby directed to pay over in money to the Pacific Railroad Companies mentioned in said act, and performing services for the United States, one half of the compensation, at the rate provided by law for such services heretofore or hereafter to be rendered; provided, that this section shall not be construed to affect the legal rights of the government or the obligations of the companies, except as herein specifically provided.'")

(Poor's Manual of the Railroads of the United States, 1872–73, p. 389)

CENTRAL PACIFIC RAILROAD

. . . By an amendatory act, passed by Congress April 4, 1864, the Central Pacific was made a body corporate, with authority to own such portion of the road as it might construct east of the eastern boundary of the State of California. The company possesses ample chartered powers, both from the States of California and Nevada and from the federal government.

For that portion of its line between Sacramento and the base of the Sierra Nevada Mountains, a distance of 7.18 miles, the government subsidy is at the rate of $16,000 per mile, in its 6 per cent. bonds. For the succeeding 150 miles through the Sierra Nevada, at the rate of $48,000 per mile; and $32,000 per mile for such other portion of the line constructed west of the Rocky Mountains. The government subsidy is a second mortgage upon the road, the company being especially authorized by an act of Congress to issue its own bonds equal in amount to the government aid, as a *first* mortgage on the road. In addition to pecuniary aid, Congress granted ten alternate sections of public lands on each side of the line of the road—or 12,800 acres per mile.

(Poor's Manual of the Railroads of the United States, 1872–73, pp. 529–30).

APPENDIX III

Revised list of American citizens killed in Mexico by armed Mexicans, during the revolutionary period between December, 1910, and September 1, 1916.

Total, 285 killed, including 17 sailors and marines at Vera Cruz, 17 citizens and soldiers at Columbus, N. M. Not including soldiers and officers killed at Carrizal and 30 others not verified as to dates, etc., killed in Mexico.

Adams, William, Near Ascension, Chihuahua, May 1, 1912, Federal officer.
(Adams was shot while attending funeral of his wife.)

Akers, Bert, Chihuahua, Jan. 21, 1916, Mexicans.

Alamia, John B., Rio Bravo, Tamaulipas, 1913, Unknown bandits.

Allen, Oscar, Pearson, Mar. 16, 1914, Unknown bandits.
(Murdered with an axe. Employee of Madera Co.)

Anderson, Mrs., daughter and neighbor, Chihuahua, June 22, 1911, Madero soldiers.

Anderson, Maurice, Santa Ysabel massacre, Jan. 9, 1916, Villistas.

Anton, George.

Atwater, Herbert, Vera Cruz, 1915, Unknown bandits.

Austin, A. L. Near Matamoros, 1915, Unknown bandits.

Austin, Chas., Near Matamoros, Aug. 7, 1914, Carranzistas.
(Chas. Austin, son of A. L. Austin, killed in 1915.)

Ayers, Bowan, Patzcuaro, Michoacan, Aug. 14, 1912, Unknown bandits.
Bagnell, Captain, Near Tampico, 1914, Bandits. (Capt. Bagnell an English subject.)
Batamia, Juan, Matamoros, 1915, Order Gen. Blanco.
Barrett, Thos., Cinco Minas Works at Hostolipaquillo, Jalisco, 1913, Bandits.
Bauch, Gustave, Juarez, 1914, Villa.
Bean, Edgar, Puerto Cifes, Sonora, 1915, Bandits.
Beard, James, Parras, Coahuila, May, 1914, Bandits.
Bennett, J. N., Tampico, 1915, Carrancistas.
Benton, Thos., In Villa's office, Juarez, April 9, 1914. (Benton was an English subject and his murder was made a subject of correspondence between England and this country.)
Billings, Roscoe, Near Mexico City, Feb., 1915, Carranzistas.
Bird, Near Tampico, 1915, Carrancistas.
Bishop, Tomesachic, Nov., 1914, Carranza soldiers.
Bishop, Mrs. W. I., Mexico City, Feb. 11, 1913, Rebels.
Blackenburg, Herman, Near Chihuahua, Mar. 30, 1916, Bandits.
Boley, Bernard, Near Raymondville, Matamoros, 1915, Bandits.
Boone, Chas., Guzman, Oct. 28, 1915, Villa soldiers.
Boris, Gerew, Near Nueva Vista, Feb. 20, 1912, Bandits.
Boswell, Louis Frank, Vera Cruz, April 24, 1914, Mex. Federals.
Brooks, "Johnny", Colonia Chuichupa, Bandits.
Brown, C. M., Mazatlan Section, 1915, Indians.
Burton, Henry Knox, Santa Rosalia, July 6, 1913, Carranza soldiers.

Burwell, Weston, Near Tampico, 1914, Carrancistas.
Buyrd, W. M., Jr., Tampico, 1915, Bandits.
Bushnell, L., Mexico, Mar. 24, 1913, Bandits.
Butler, Jas., Columbus, N. Mex., Mar. 10, 1916, Villa soldiers.
Camera, Eugene, Lencho, Sonora, 1915, Indians.
Camp, John, El Paso, Texas, May 9, 1911, Bandits.
Carroll, John G. D., Alamo, Lower Cal., June 11, 1911, Federal soldiers.
Carruth, Mrs. Lee, and five children, Cumbre Tunnel, Feb. 4, 1914, Rebels.
Chapel, F. C., Nogales, Sonora, 1914, Mexican soldiers.
Crawford, James, Vera Cruz, 1915, Unknown bandits.
Clarke, Dr. R. G., Mexico City, May 27, 1911.
(Dr. Clarke was from Taylorsville, Ill., and was a partisan of Felix Diaz.)
Cohen, Glen Springs, May 6, 1916, Mexican raiders.
Colee, Glen Springs, May 6, 1916, Mexican raiders.
Compton, Harry, Chihuahua City, 1915, Unknown bandits.
Compton. . . . Glen Springs, May 6, 1916, Mexican raiders.
Cooper, Clarence, Pearson, May 4, 1913, Unknown bandits.
Corbett, William, Near Minaca, 1916, Villistas.
(Corbett was an employee of Palomas Land & Cattle Co.)
Corrie, William W., On board S. S. *California*, Apr. 11, 1913, Carranzistas.
Couch, A. H., Santa Ysabel, Jan. 9, 1916, Unknown bandits.
Coy, Juan, Monclavo, 1915, Unknown bandits.
Cramer, Roy, Guerrero district, Jan. 1, 1916, Villistas.
Critchfield, Geo., Tuxpam, Apr. 7, 1911, Revolutionists

Cromley, Henry, Purandire, Michoacan, Jul. 21, 1912, Mex. man serv.
Dalrymple, Chas., Victoria, 1915, Unknown bandits.
Darrow, Berris, Nueva Buena, Feb. 2, 1913, Unknown bandits.
Davidson, W. A., Columbus, N. Mex., Mar. 10, 1916, Villa soldiers,
Dean, J. S., Columbus, N. Mex., Mar. 10, 1916, Villa soldiers.
DeFabir, C. G., Vera Cruz, Apr. 22, 1914, Federal soldiers.
Delawry, F. T., Vera Cruz, Apr. 22, 1914, Federal soldiers.
Deverick, Frank, Vera Cruz, Apr. 22, 1914, Federal soldiers.
Dexter, Edward G., 1915, Oaxaca Indians.
Diepert, Geo. A., Juarez, 1915, Unknown bandits.
Dingwall, Wm. B. A., April 30, 1913, Rebels.
Dixon, Chas., Juarez, Jul. 26, 1913, Mexican soldiers.
Donald, Bruce, Near Guerrero, 1916, Villistas.
Donaldson, R. E., Near Matamoras, 1915, Unknown bandits.
Donavan, J. J., Esperanza, Sonora, 1915, Indians.
Doster, Edward D., Mexico City, May, 1914, Unknown bandits.
Davidson, Roderick, Rosario Station, Tepic., Apr. 5, 1916, Unknown bandits.
(Body taken to Mazatlan and buried under supervision of American Consul Alger.)

East, Victor W., Campeche, 1915, Unknown bandits.
Eckles, Temosachic, Nov., 1914, Federal soldiers.
Edson, John, Evanado, Guadalajara, 1915, Unknown bandits.

Edson, Mrs., Evanado, Guadalajara, 1915, Unknown bandits.
Edwards, J. C., Agua Prieta, Apr. 13, 1911, Villistas.
Ely, Isaac R., Tampico, 1915, Villistas.
Ernest, Howell, . . .
Evans, Thos., Santa Ysabel, Jan. 9, 1916, Villistas.
Farrell, Tom, Hermosillo, 1915, Indians.
Fay, W. A., Esperanza, 1915, Unknown bandits.
France, Wenceslao, Acala, Chiapas, Sept. 23, 1911, Indians.
Ferguson, R. H., 1915, Unknown.
(By bullet fired across the river.)
Fischer, E. C., Vera Cruz, Apr. 24, 1914, Federal soldiers.
Forney, Ernest, Brownsville, 1915, Mexican raiders.
Foster, Dr. Allan, L., Alamo, Lower Cal., June 11, 1911, Federal soldiers.
Fountaine, Thos., Jimenez, Mar., 1912, Orozquistas.
Fowler, Wm. E., Tuxpam, Mar. 9, 1911, Mexican peon.
Froliebstein, E. H., Vera Cruz, Apr. 22, 1914, Federal soldiers.
Fried, L. O., Vera Cruz, Apr. 22, 1914, Federal soldiers.
Gillette, Frank, Rosa Morda, Tepic, Dec. 10, 1911, Bandits.
(Gillette was formerly a resident of Cleveland. Murdered at his plantation. His wife was tied to a tree while husband was killed as she looked on.)
Gilmartin, M. J., Cumbre Tunnel, Feb. 4, 1914, Bandits.
Goldsborough, Chas., Fuerte dist. Sinaloa, 1915, Indians.
Three sons of John Goodman, Acapulco, Apr., 1911, Unknown bandits.

Grigalva, Reyes, Nogales, 1915, Mex. policeman.
Griffin, Benj., Chihuahua, Jul. 5, 1913, Unknown bandits.
Griffin, Fred A., Columbus, Mar. 10, 1916, Villistas.
Griffith, Mrs. Percy, Mexico City, Feb., 1912, Unknown bandits.
Haggerty, David A., Vera Cruz, Apr. 21, 1914, Federal soldiers.
Hall, Alexander, Santa Ysabel, Jan. 9, 1916, Villistas.
Hamilton, Victor, Near Torreon, Jan. 15, 1916, Villistas.
Harmon, E. M., Chihuahua, 1915, Unknown bandits.
Harper, A. N., South of Nogales, Nov. 12, 1915, Unknown bandits.
Hart, H. M., Columbus raid, Mar. 10, 1916, Villistas.
Harvey, James W., Chihuahua, May, 1912, Mexican rebels.
Harwood, P. W., Lower California, Jan. 28, 1914, Federal soldiers.
Hase, H. C., Santa Ysabel, Jan. 9, 1916, Villistas.
Hays, Edmund, Madera, Chihuahua, 1913, Federal soldiers.
Hidy, John Camp, San Luis Potosi, May 18, 1911, Bandits.
Hertling, John, Douglas, Arizona, July, 1912, Orozco rebels.
Hadley, C. B., Guadalajara, 1915, Unknown bandits.
Hobbs, Sergt. M. A., Columbus raid, Mar. 10, 1916, Villistas.
Holmes, Mrs. Minnie L., Mexico City, Feb. 12, 1913, Carranza bandits.
Howard, Frank, Coalcoman, Michoacan, Mar. 13, 1913, Unknown bandits.
Howard, John S. H., Eagle Pass, Texas, Feb. 10, 1913, Unknown bandits.

Horace, Frank, Coalcoman, Michoacan, Mar., 1912, Mexican rebels.
Huntington, Robt., Agua Prieta, Apr. 13, 1911, Carranza bandits.
Jacoby, James, Chihuahua, 1915, Carranza bandits.
James, Mrs. Milton, Columbus raid, May 10, 1916, Villistas.
Jensen, Chas., Near Matamoros, 1915, Unknown bandits.
Jones, Harry J., Ojo de Agua, Texas, 1915, Mexican raiders.
Johnson, Guy, Chihuahua, Feb. 10, 1916, Unknown bandits.
Johnson, Thos., Santa Ysabel, Feb. 9, 1916, Villistas.
Joyce, Martin S., Ojo de Agua, Texas, 1915, Mexican raiders.
Kane, Thos. C., Apr. 10, 1912, Unknown bandits.
Keane, Peter, Jan. 8, 1916, Villistas.
Kelly, Dr. E. E., Sonora, 1914, Indian soldiers.
Kelly, Patrick J., Velardena, Durango, Sept. 29, 1912, Unknown bandits.
Kelly, Patrick, Cumbre Tunnel, Feb. 4, 1914, Bandits.
Kendall (engr.), Near Brownsville, 1915, Bandits.
Kindvall, Frank J., Columbus raid, Mar. 10, 1916, Villistas.
Kendall, Wm., Hostolipaquilla, Oct. 13, 1913, Unknown bandits.
King, Near Tampico, 1914, Carrancistas.
Klesow, John, On board S. S. *California*, Apr. 11, 1913, Mex. policeman.
Kraft, Anthony, Brownsville, 1915, Mexican raiders.
Krause, Emil Alex., Novillas, Tampico, Dec. 12, 1910, Unknown bandits.
Klewson, John C., Guaymas, 1915, Unknown bandits.

Lawrence, Albert H., Near Tampico, 1914, Carrancistas.
Lane, D. J., Vera Cruz, Apr. 24, 1916, Mexican federals.
Lauhel, Porfirio, Nuevo Laredo, 1913, Unknown bandits.
Lawrence, James O., Tampico, Mar. 22, 1912, Mexican officer.
Lindsley, Lee, Near Minaca, 1916, Carrancistas.
Littles, Steven, 1916, Unknown bandits.
Lockhart, John R., Durango, Nov. 11, 1911, Indians.
Maderis, H. F., Cumbre Tunnel, Feb. 4, 1914, Bandits.
Maguire, Geo. R., Alice Road, 1915, Bandits.
Mrs. Mallard and baby, Near Tampico, 1914, Carrancistas.
Martin, G., Vera Cruz, Apr. 21, 1914, Federals.
Martinez, Lucianao, Tampico dist., 1913, In battle.
Martinetto, A., Cumpas, 1915, Villa soldiers.
Mathewson, A., 1912.
Meredith, R. W., Mexico City, Feb., 1916, Unknown bandits.
Miller, Chas. DeWitte, Columbus raid, Mar. 10, 1916, Villistas.
Miller, Morton, South of Tia Juana, Jan. 28, 1914, Federal soldiers.
Miller, C. C., Columbus raid, Mar. 10, 1916, Villistas.
Milton, Chas., Sonora, 1915, Huerta followers.
Moreys, J. I., Cumbre Tunnel, Feb. 4, 1914, Bandits.
McBee, Albert T., Brownsville, 1915, Mexican raiders.
McClellan, James B., Rio Chico, Durango, Mar. 10, 1912, Unknown bandits.
McConnell, Herbert, Ojo de Agua, 1915, Mexican raiders.
McCoy, J. P., Santa Ysabel, Jan. 9, 1916, Bandits.

MacDonald, Maurice, San Pedro de las Colonias, 1914, Federal soldiers.

McCutcheon, E. J., Cumbre Tunnel, Feb. 4, 1914, Bandits.

McDonald, W. H., Pachuco Hidalgo, June 4, 1911, Unknown bandits.

McGregor, Don., Minaca, Apr. 11, 1916, Villistas.

McHatton, Richard, Santa Ysabel, Jan. 9, 1916, Villistas.

McIntosh, Walter, Tampico, 1915, Carrancistas.

McKane, Dr. E. S., Near Brownsville, 1915. Mexican raiders.

McKinney, Arthur, 35 miles south of Columbus, 1916, Villistas.

McKinsea, Near Agua Prieta, Sept., 1912, Rebels.

McManus, J. B., Mexico City, 1915, Zapatistas.

Moore, J. J., Columbus raid, Mar. 10, 1916, Villistas.

Morris, J. L., Cumbre Tunnel, Feb. 4, 1914, Bandits.

McKinney, Patrick, Mexico City, 1914, Bandits.

Newman, George, Santa Ysabel, Jan. 9, 1916, Villistas.

Nieverdalt, Sgt. John, Columbus raid, Mar. 10, 1916, Villistas.

Nixon, Edward L., Near Tampico, 1914, Carrancistas.

Olsen, Seffer, Near Cuernavaca, Apr. 26, 1911, Zapatistas.
(Formerly professor in the University of California.)

O'Neill, James, Near Ninaca, 1916, Villistas.

Parks, Samuel, Vera Cruz, May 6, 1914, Soldiers under General Maas.

Parker, W. and wife, Hachita, N. Mex., June 26, 1916, Mexican bandits.

Patrick, Glennon, Alamo, Lower Cal., June 11, 1911, Federal soldiers.

Pearce, W. D., Santa Ysabel, Jan. 6, 1916, Villistas.
Percy, Rufus E., Vera Cruz, Apr. 22, 1914, Federal soldiers.
Parmenter, John Glen, Guadalajara, 1915, Unknown bandits.
Pearson, Geo. F., Western Chihuahua, Jan. 12, 1916, Gen. Rodriguez.
Peterson, Near Panuco, 1914, Carrancistas.
Pederson, Peter, Vera Cruz.
Pelham, Oscar, Sta. Gertrude's mine, near Pachuco, Sept. 14, 1911, Mexican rebels.
Pope, Elbert, Lower California, June, 1911, Bandits.
Poinsette, George, Vera Cruz, Apr. 21, 1914, Federal soldiers.
Powdexter, William, Chihuahua, 1915, Mexican civilians.
Price, Scott, Mexico, Sept. 16, 1912, Unknown bandits.
Pringle, Chas. A., Santa Ysabel, Jan. 9, 1916, Villistas.
Reid, James M., Mexico City, Nov. 20, 1910, Mex. policeman.
Ritchie, A. C., Columbus raid, Mar. 10, 1916, Villistas.
Robertson, Wm. C., Mazatlan dis. Sinoloa, 1913, Rebels.
Robinson, E. L., Santa Ysabel, Jan. 9, 1916, Villistas.
Rogers, Glen Springs, May 6, 1916, Mexican raiders.
Romero, M. B., Santa Ysabel, Jan. 9, 1916, Villistas.
Roth, Near Tampico, 1914, Carrancistas.
Ross, Mrs. Chas. E., Chihuahua, 1915, Bandits.
Root, Morris, Nuajoori, Tepic., Sept. 2, 1913, Unknown bandits.
Russell, Herbert, Near Durango City, Sept. 29, 1912, Mexican rebels.
Sandanel, Jesus, Near Brownsville, Feb. 10, 1915, Mexican soldiers.
San Blaz, Joseph T., Sinaloa, 1915, Indians.

Sanchez, Encarnacion, Mexicali, 1913, Federal soldiers.
Sawyers, Guy S., Monterey, 1914, Constitutionalists.
Schubert, Guido, 1913, Orozco rebels.
Scott, Peter, Near Nogales, 1915, Unknown bandits.
Shaffer, Ernest, Ojo de Agua, Texas, 1915, Mexican raiders.
Schofield, Bernard, Cumbre Tunnel, Feb. 4, 1914, Villistas.
Schmaher, J. F., Vera Cruz, Apr. 21, 1914, Federal soldiers.
Seffer, Pehr. O., Cuernavaca, Apr. 29, 1911, Zapata rebels.
(Probably same as Seffer Olson, listed under "O".)
Slate, Henry, South of Nogales, Nov. 12, 1915, Unknown bandits.
Seggerson, Chas., Juarez, 1913, Unknown bandits.
Shepherd, John W., Guanajuato, Aug. 10, 1912, Unknown bandits.
Shope, Wm. Henry, Near Medina.
(Shope is given in list of killed in 1910.)
Simmons, Albert F., Near Torreon, Jan. 15, 1916, Villistas.
Simmons, R. H., Santa Ysabel, Jan. 9, 1916, Villistas.
Simon, Corp. Paul, Columbus raid, Mar. 10, 1916, Unknown bandits.
Smith, Escalon, Mar. 27, 1912, Unknown bandits.
Smith, C. A., Vera Cruz, Apr. 22. 1914, Mexican federals.
Smith, Frank, Tampico, 1914, Mexican federals.
Smith, J. P., Near Matamoros, 1915, Unknown bandits.
Smith, John and five other Americans, Panuco River, near Tampico, May, 1915, Mexicans.
Spillbury, Ernest, Pachuca City, Dec. 31, 1912, Mexican civilian.

Shell, Benj., Near Minaca, 1916, Carrancistas.
Soto, Pablo, Mexico, Mar. 24, 1913, Unknown bandits.
Squires, C. A. L., La Colorado, 1915, Indians.
Stell, Dr. A. T., Near Guerrero, 1916, Villistas.
Stepp, H. W., Durango, June 18, 1912, Mexican rebels.
Stevens, William J., Pacheco, Chihuahua, Aug. 28, 1912, Unknown bandits.
Strauss, H. L., Cuautia, Morelos, Aug. 11, 1912, Unknown bandits.
Stream, A. S., Vera Cruz, Apr. 22, 1914, Federal soldiers.
Stubblefield, Henry, Progreso, 1915, Carranzistas.
Summerlin, Rudolph, Vera Cruz, Apr. 24, 1914, Federal soldiers.
Smith, Baron, Mexico City, Feb., 1915, Carranza soldiers.
Joseph, Tays, San Blas, near Sinaloa, Sept. 5, 1914, Carrancistas.
Taylor, James E., Vera Cruz, 1915, Unknown bandits.
Taylor, S. E., April 28, 1912, Unknown bandits.
Teanhl, Gilbert, San Luis Potosi, 1915, Unknown bandits.
Thomas, A. E., South of Nogales, Feb., 1916, Rebels
Thomas, John Henry, Madera, Chihuahua, 1913, Federal soldiers.
Thomas, Robert, Madera, Federal soldiers.
Urban, Richard, Sonora, 1915, Unknown bandits.
Valencia, José, Mexicali, 1913, Unknown bandits.
Vandenbsh, Walter, Durango, 1915, Mexican civilian.
Varn, Grover V., Durango, 1916, Villistas.
Vergarra, Clemente, Piedras Negras, 1915, Unknown bandits.
Waite, W. H., Ochotal, Vera Cruz, Apr. 4, 1912, Bandits. (Beheaded when he refused to pay money.)

Wadley, Charles, Santa Ysabel, Jan. 9, 1916, Villistas.
Walker, W. R., Columbus raid, Mar. 10, 1916, Villistas.
Wallace, W. J., Santa Ysabel, Jan. 9, 1916, Villistas.
Ward, Frank, Near Yago, Tepic, Apr. 9, 1913, Unknown bandits.
Warren, James L., Tampico, 1915, Carranza Colonel.
Warwick, William S., Juarez, 1915, Shot from across river.
Watson, C. R., Santa Ysabel, Jan. 9, 1916, Villistas.
Watson, W. I., Vera Cruz, Apr. 22, 1914, Federal soldiers.
Webster, John E., Cumbre Tunnel, Feb. 4, 1914, Bandits.
Weinger, Thomas, Mapami, Durango, Oct. 2, 1913, Rebels.
Wells, Edward F., Near Vera Cruz, 1915, Unknown bandits.
White, Hostolipaquilla, May, 1914, Unknown bandits.
Williams, Hostolipaquilla, May, 1914, Unknown bandits.
[illegible]ms, John H., Nacosari, Mar. 8, 1913, Rebels.
[illegible]ms, Lee, Cumbre Tunnel, Feb. 4, 1914, Bandits.
[illegible]ms, Robert, Mexico, Sept. 16, 1912, Unknown bandits.
Williams, John, Sonora, 1915, Indians.
Willis, M. K., Calexico, Lower Cal., July 17, 1911, Federal officer.
Wilson, John, Near Esperanza, May, 1915, Indians.
Windham, W. S., Tepic, 1915, Unknown bandits.
Windhaus, Leo. C., Mercedes, Texas, 1915, Unknown bandits.
Wiswall, Corp. Harry, Columbus raid, Mar. 10, 1916, Villistas.

Wolf, U. G., Northern Sonora, June 16, 1913, Unknown bandits.
Wood, Near Tampico, 1914, Carrancistas.
Woon, J. W., Santa Ysabel, Jan. 9, 1916, Villistas.
Wallace, Walter, Rosario Sta., Tepic, Apr., 5, 1916, Bandits.
(Body taken to Mazatlan and buried under supervision of American Consul Alger.)

In addition 43 Americans, whose names are not given, are known to have been killed at different places in Mexico. In this number of 43 are included the thirteen American soldiers and two officers killed at Carrizal by Carranza soldiers, June 18, 1916.

VICTIMS OF CUMBRE TUNNEL HORROR, FEBRUARY 4, 1914

Mrs. Lee Carruth and 5 children
M. J. Gilmartin
Patrick Kelly
H. F. Maderis
J. I. Morris
E. J. McCutcheon
Bernard Schofield
John E. Webster
Lee Williams

LIST OF MARINES SAID TO HAVE BEEN KILLED AT VERA CRUZ, APRIL 24, 1914

Louis Frank Boswell
Francis P. De Lowry
Frank Deverick
Elzie C. Fisher
Lewis Oscar Fried
E. H. Frolichstein
Daniel A. Haggerty
Dennis J. Lane
Sam Martin
Rufus Edward Percy
George Poinsette
John F. Schumacher
Chas. Allen Smith
Albin Eric Stream
Randolph Summerlin
Walter L. Watson
C. G. De Fabir

SANTA YSABEL MASSACRE, JANUARY 9, 1916

Maurice Anderson
A. H. Couch
Thos. M. Evans
Alexander Hall
H. C. Hase
Thomas Johnson
J. P. McCoy
Richard McHatton
George Newman
W. D. Pearce
Chas. A. Pringle
E. L. Robinson
M. B. Romero
R. H. Simmons
Charles Wadley
W. J. Wallace
C. R. Watson
J. W. Woon

COLUMBUS RAID, MARCH 10, 1916

Mrs. Milton James
W. A. Davidson, Nat'l Guard
J. T. Dean, civilian
J. J. Moore, civilian
C. C. Miller, (?) civilian
John Nievergelt, Band Sergt.
Harry Wiswell, Corp. Troop G
Frank T. Kindvall, Troop K
Fred Griffin, Troop K
Dr. H. M. Hart, Veterinary
W. T. Ritchie, civilian
C. Dewitt Miller, civilian
N. R. Walker, civilian
Mark A. Dobbs, Sergt. 13th Cav.
Paul Simon, Band
James Butler, Private Troop F
Harry Davis, Co. K, Nat'l Guard

Total number of victims, 66

CARRIZAL, JUNE 18, 1916

Lieut. Henry Adair, Capt. Boyd and thirteen American negro soldiers whose names have not been made public.

APPENDIX IV

The following list of 61 outrages committed in the oil regions of Mexico alone in a period of 6 months and 8 days from January 23 to July 31, 1918, was published in the New York *Times* of October 20, 1918. The oil regions offer the most inviting field for robbery at present because they are about the only place in Mexico in which industry is active. The list includes 10 murders. The total loss by robberies in which specific sums are mentioned is $107,507. Instances in which specific values were not ascertained are not included.

1918

Jan. 23.—Five soldiers held up Territas Blancas station of the East Coast Oil Co., beat Paul Schultz, pumper, with pistol, shot both him and boy helper and attacked Mexican woman.

Feb. 6.—Bandits entered Naranjos and made off with 16 mules worth $3,000 and 3 horses worth $700 belonging to the Aguila Co.

Feb. 8.—Gang of 150 men swept into camp of Station A, East Coast Oil Co., took everything in commissary, supplies, blankets and bedding and demanded $10,000.

Feb. 12.—Attacked Ed House, paymaster of the Texas Co., on Chijol Canal, just out of Tampico. Fired on launch, wounding a launch boy. House and assistants gave battle and got away.

Feb. 15.—Armed Mexicans held up camp of Freeport and Mexican Fuel Oil Co., at Camalote, carrying off Lonnie Morris, a driller, holding him for $1,000 ransom. Morris finally freed without payment being made.

Feb. 19.—Launch *Thendra,* carrying F. C. Laurie, attacked in Chijol canal and riddled with bullets. Boat property of the Cia. Metropolitana de Oleoductos S. A.

Feb. 21.—Launches *Thendra* and *Houp-La* attacked in Chijol canal. Pilot and one passenger wounded.

Feb. 21.—Horconcitas camp of Mexican Gulf Co., held up and pumper robbed of $329. This is 34 miles from Tampico.

Feb. 21.—Ed House, paymaster, the Texas Co., killed and 14,000 pesos carried away by armed Mexicans with Federal army equipment and rifles. Dr. Brisbane and Paymaster Minnett both wounded. Forty men in attacking gang. Hold-up in outskirts of Tampico; party taking money to pay off workmen.

Feb. 22.—The Texas Co.'s Obando camp robbed of 2,500 pesos; several shots fired.

Mar. 1.—Bandits ran workmen of Tierra Amarilla camp, the Aguila Co. out into brush and took supplies and $175.

Mar. 1.—Bandits entered Potrero and made off with property worth close to $1,000.

Mar. 5.—Oil camp at Tepetate held up and $1,340 in gold and currency taken; bandits wore uniforms of soldiers.

Mar. 7.—Bandits again raided Potrero, robbing everyone from superintendent to Chinaman.

Losses of Aguila Co. and men estimated at about $2,000.

Mar. 15.—Made second visit in month to Camalote; took everything in sight. Subsequent raids, in which two men were hanged to derrick, compelled evacuation of camp. Property of Freeport & Mexican Oil Corp.

Mar. 16.—Armed Mexicans rob camp foreman of the Texas Co. at Topila and hold up train. Considerable loot taken.

Mar. 28.—Launch *Crotes* with vice-president, general manager and employees of the Cortez Oil Corp. left Tampico with $32,125 on board. Held up by nine bandits. Federal soldiers finally ran them off, but stole part of the money the bandits dropped. Company's loss $12,007.67.

Mar. 28.—Bandits entered Potrero, Aguila company, taking money and property worth $1,000.

Mar. 28.—Bandits again entered Tierra Amarilla, taking property worth about $4,000 including six mules.

Apr. 6.—Production camp, Texas Co., robbed; loss several hundred pesos.

Apr. 7.—Repeated performance of day before.

Apr. 12.—Armed bandits entered camp at Tepetate, beat employees cruelly and made off with $323 in money and much property; men lined up before armed squad during ransacking process.

Apr. 13.—Four men in uniforms of soldiers raided camp of the International Petroleum Co., shoving gun into side of A. J. Kirkwood. Assistant beaten with machetes and squad

of employees taken out with threats of execution.

Apr. 16.—Employees of Mexican Gulf Co., finally forced out of Tepetate district after series of robberies and barbarities. Did not return to work for two weeks.

Apr. 18.—Tepetate Pipe Line pump station, 65 miles from Tampico, raided and looted by bandits.

Apr. 18.—Theodore Rivers, Texas Co., employee, robbed of watch and money.

Apr. 18.—Motor barge *Alma R.*, Texas Co., held up in Chijol canal and several thousand pesos taken; threatened lives of men on board, thinking pay-roll was hidden.

Apr. 19.—Superintendent of La Corona Co., at Topila, and his wife robbed and mistreated and driven out toward Tampico.

Apr. 23.—San Pedro camp of the Aguila Co., raided by bandits, who "requisitioned" $1,340 from cashier.

Apr. 24.—Station B, East Coast Co., Topila, raided and employees robbed.

Apr. 25.—Two armed Mexicans entered pump station of the Aguila Co., at Bustos, and robbed everyone in sight. Demanded and got a note to their chief, saying that they had done a clean job, leaving nothing.

Apr. 26.—Same two Mexicans entered Santa Fe camp, of La Corona Co., threatened to shoot cashier and made off with $475.

Apr. 27.—Armed Mexicans again dashed into Sante Fe camp, shot up the place promiscuously, secured $375 and disappeared.

May 6.—J. N. Scott attacked near Tepetate camp and.

severely cut with machetes and daggers. Earl Boles and Ted Nabors, who went to his assistance, also attacked.

May 6.—Armed Mexicans broke into Santo Tomas station, Aguila Co., and robbed station engineer of personal effects and money worth $500.

May 12.—Armed Mexicans robbed camp of everything, making drilling impossible for a week; La Corona Co., victim.

May 12.—Soldier got drunk and went to sleep in tent; other soldiers finding "body," declared he had been murdered and were getting ready to lynch superintendent when drunken man was awakened.

May 16.—Paymaster of Cortes Oil Corp., held up by pirates off island of Juana Ramirez in Tamiahua Lagoon; payroll equivalent to $10,547.50 in U. S. coin taken.

May 16.—Launch *R. C. Holmes* of the Texas Co., held up and robbed of 30,000 pesos in Tamiahua Lagoon.

May 17.—Rex Underwood stood off gang of armed Mexicans with revolver, refusing to give up valuables.

May 22.—Rex Underwood fired upon from ambush; forced to desert horse and $1,040 tied in sack to pommel of saddle. Saved life by taking to bush.

May 18.—Tepetate station, Mexican Gulf Oil Co., again held up and robbed.

May 20.—The sum of $103 in Mexican gold currency was stolen by bandits from the camp office of the Cia. Metropolitana de Oleoductos S. A. at lot No. 9 Tepetate.

May 23.—Armed Mexicans entered Santa Fe camp of the La Corona Co., and demanded $20,000 otherwise they would burn the house of the superintendent. They took the contents of the safe, $456.60, and went away.

May 23.—The same men visited Topila camp, La Corona Co., and requisitioned from the camp boss all his and his wife's personal belongings.

May 26.—Armed men return to Santa Fe camp, La Corona Co., claiming again the 20,000 pesos, searched all camp houses and went away with $532 and clothes of employees.

May 29.—The same men overrun camp again and took $156, being the amount in the safe, as well as food supplies.

June 1.—The men entered the camp at night and robbed superintendent and his wife of all personal belongings.

June 5.—Transcontinental de Petroleo S. A. paymaster at Amatlan lost during temporary absence 6,000 pesos.

June 8.—Armed Mexicans returned to La Corona Co., camp during full daylight and took away the money for the weekly payroll, amounting to about 2,000 pesos at Santa Fe camp.

June 8.—At 3.15 P. M. four armed Mexicans rode into camp at East Coast Oil Co., Torres Terminal, and demanded payroll money. The payroll having been sent up to terminal by the paymaster in the launch, had arrived at the terminal about thirty minutes before the holdup took place. The men secured $1,542.65 Mexican gold currency. None of

employees was molested because money was surrendered immediately upon demand.

June 9.—Robbers broke into the Aguila Co., office at Tepetate and forced open the cash drawer, stealing $967 in money.

June 12.—During the encounter between the government and reactionary forces the camp office of Cia. Metropolitana de Oleoductos S. A. at Palo Blanco was ransacked and the sum of $1,100.81 Mexican gold currency was stolen, in addition to a considerable quantity of material and commissary supplies.

June 24.—On the night of June 24 the Mexican Gulf Oil Co.'s, large earthen storage oil reservoir at Tepetate set afire. Contained about 150,000 barrels of fluid. Approximately 80,000 to 90,000 barrels of fluid burned or lost by reason of this fire.

June 26.—One of the Texas Co.'s employees was robbed near Topila, but fortunately had only a few dollars with him.

June 27.—Foreign employees run out of Palo Blanco after a regular battle.

June 28.—Two employees of Aguila Co., attacked on road and left for dead, being shot and hacked with machetes.

June 29.—Five armed men robbed Mexican Gulf Co. terminal four miles above fiscal wharf at Tampico. Four men, all Americans, murdered.

June 30.—Topila superintendent of La Corona Co. taken away and held for ransom.

July 30.—A. W. Stevenson, camp cashier of the pipe line camp of the Texas Co., at Tepetate,

was murdered by bandits upon his refusal to open his safe and deliver its contents.

July 31.—Mexican Gulf paymaster held up and robbed of $8,000 Mexican gold within four miles of Tampico. No lives were lost in this holdup.

THE END

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